



CITY OF SOLANA BEACH, CA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED

JUNE 30, 2024

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**CITY OF SOLANA BEACH, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

**PREPARED BY THE FINANCE DEPARTMENT
OF THE CITY OF SOLANA BEACH**

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CITY OF SOLANA BEACH, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2024

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CITY OF SOLANA BEACH

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December 6, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of Solana Beach:

It is with great pleasure that we present to you the City of Solana Beach (City) Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2024.

This year's report was prepared by the City's Finance Department in conformity with Generally Accepted Accounting Principles (GAAP) and has been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants. The report consists of management representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

The ACFR includes the financial activity for all funds of the City. The City provides a wide range of services including planning; public works; engineering; maintenance of streets, parks, and public facilities; community services and recreation; fire and marine safety; sanitation; and general administrative activities. Contracted services include building services through a third-party consultant, law enforcement with the San Diego County Sheriff and animal control with the San Diego Humane Society.

Internal Controls

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of State, County, and Federal financial resources, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the management of the City.

Annual Audit

Davis Farr LLP, appointed by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are free of material misstatements. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that the City has complied with applicable laws and regulations.

The results of the City's annual audit for the fiscal year ended June 30, 2024, provided no instance of material weakness in the internal control structure and no violations of applicable laws and regulations. The independent auditor concluded there was a reasonable basis for rendering an unmodified opinion and the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MDA)

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MDA) and should be read in conjunction with it. The MDA provides "financial highlights" and interprets financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MDA is intended to disclose any known significant events or decisions that affect the financial condition of the City. The City's MDA can be found immediately following the report of the independent auditors.

Government Profile

The City was incorporated on July 1, 1986, under the general laws of the State of California and is home to a population of 12,675 residents per the Bureau of Labor and Statistics. Included within the City's financial statements is the financial information of the Solana Beach Public Facilities Corporation. The City is considered the primary government, and the Public Facilities Corporation is a component unit. Additionally, since the governing boards of the City and the component unit are the same, the financial statements of the City and the component unit are blended.

The Solana Beach Public Facilities Corporation was incorporated on July 25, 1990, as a nonprofit public benefit corporation duly organized and existing under the Nonprofit Public Benefit Corporation Law. Its purpose is to benefit the City by providing financing for the planning, development, acquisition, construction, improvement, extension, repair, and renovation of public works projects, public facilities, furnishings, and equipment for use by the City.

The City is a coastal community encompassing approximately 3.4 square miles and is located twenty-one miles north of the City of San Diego's downtown district. It is bordered to the North and South by the cities of Encinitas and Del Mar, respectively; to the East by the County of San Diego; to the southeast by the City of San Diego; and by the Pacific Ocean to the West.

The City is a general law city that operates under the Council-Manager form of government.

The City Council (Council) is comprised of four Council members elected within separate Council Districts to staggered four-year terms of office. The Mayor is elected at-large to a four-year term and the Deputy Mayor is selected annually by the Council from among its four Councilmembers to serve a one-year term. The Council acts as the legislative and policy-making body of the City, enacting all laws and directing such actions as required providing for the general welfare of the community.

The City Manager, appointed by the Council, serves as the Chief Executive Officer and is responsible to the Council for the proper administration of all City affairs and for the implementation of all policies established by the Council. The City Attorney is the only other position appointed by the Council. All other department heads and employees are appointed by the City Manager.

Commissions play an important role in the governmental structure of Solana Beach. They provide many opportunities for citizens to participate in the affairs of the City. These Advisory Commissions assist in the performance of studies and the issuance of recommendations on various matters of concern to the Council.

The Advisory Commissions are the following:

- Budget & Finance Commission
- Climate Action Commission
- Parks & Recreation Commission
- Public Arts Commission
- View Assessment Commission

Budgetary Process and Controls

The process of adopting a budget for the City is generally a six-month process beginning in late December and ending in June when the Council adopts the budget and appropriates funds necessary for the City to provide services to its residents.

The process is all-inclusive as department directors work with the City Manager and representatives of the Finance Department to discuss departmental requests relative to the City’s available resources.

The City’s overall objectives and goals, along with the economic outlook, serve as a platform for the proposed budget that is distributed to the Council, and the Budget and Finance Commission, for preliminary review and analysis in preparation of public workshops and hearings. The public workshops and hearings are held to facilitate discussions of items contained within the proposed budget and to allow the citizenry to participate in the budget process.

In June 2023, the City Council approved a two-year budget for Fiscal Years (FY) 2024 and 2025. The budget is amended from time to time during this two-year budget cycle, with budget adjustments brought before the City Council for review and approval. The final General Fund Budget as amended is presented in the Required Supplementary Information section of this report.

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Council. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget.

The budget is arranged by fund, function, and department and is presented to the Council by the City Manager and Finance Director. The budget is then adopted annually by the Council prior to the beginning of the financial year and serves as the foundation for the City's financial planning and control. Department directors may make transfers of appropriations within their own budget units' divisions with City Manager approval. As previously noted, the City budget is reviewed and is periodically adjusted at the middle of the fiscal year and at the end of the fiscal year. These adjustments are approved by the Council.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The adopted budget for Fiscal Year 2025 was prepared in accordance with Generally Accepted Accounting Principles.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Economic Condition and Outlook

Information presented in the City's financial statements is best understood within the context of our broader economic conditions. Based on the most recent estimates from the Bureau of Economic Analysis, Real Gross Domestic Product (GDP) increased at an annual rate of 3.0% in the second quarter of 2024.

In July 2024, the U.S. Bureau of Labor Statistics (BLS) reported the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% on a seasonally adjusted basis, after declining 0.1% in June.

The index for all items rose 2.9% over the past 12 months, ending July 2024, the smallest 12-month increase since March 2021.

Local Economy

Solana Beach is home to citizens who enjoy the benefits of a coastal community that is within close proximity to the City of San Diego. The local beaches are a big attraction to both residents and non-residents. The City is comprised mainly of single-family homes and condominiums with retail, office, and light industrial uses and service entities providing a tax base for the City.

As a somewhat suburban community, Solana Beach's economic base is linked primarily to the economy of the greater San Diego region. In particular, the greater San Diego economic base sustains the City's residential and industrial facilities.

The local economy is primarily based on small to medium sized retail establishments and specialty stores selling general merchandise, furniture, arts and crafts, clothing, food, and

gasoline. Local economic generators such as vacation tourism support a significant portion of the City's commercial base.

The United States Bureau of Labor Statistics (BLS) reported the San Diego County unemployment rate was 4.9% in July 2024. The region's unemployment rate remained lower than California's unemployment rate of 5.8% in July 2024.

Solana Beach housing prices have started to decline. According to the San Diego Association of Realtors, the median single family home price in Solana Beach in August 2024 was \$2.7 Million, compared to \$3.2 Million the year prior. The San Diego region's median home price was \$1,055,000 in June 2024, an increase of 11.1% as compared to the same month in 2023.

In June 2024 Governor Gavin Newsom signed a \$295.5 billion budget for the 2025 fiscal year, a decrease of 10% from the revised FY 2024 budget. The state budget includes a \$211.5 Billion General Fund, a 5.2% decrease, as compared to the adopted FY 2024 budget appropriations. The largest increases were in Health & Human Services (\$12.2 billion), Education K-12 (\$11.5 billion) and Higher Education Expenditures (\$2.2 billion).

Long-Term Financial Planning

Solana Beach's conservative fiscal policies have helped the City build and maintain a healthy reserve and management will continue to keep costs in line with available resources.

For FY 2025, budgeted property taxes are expected to increase as compared to actual amounts received for the prior fiscal year. Sales tax is also projected to realize an increase as the local economy continues to rebound from the pandemic.

It is the City's continued goal not to rely on General Fund reserves to operate the City annually.

Relevant Financial Policies

The City of Solana Beach has financial policies that help guide it during the preparation of the annual budget. One such policy is the 17% reserve goal. This policy, as in the adoption of the FYs 2024 and 2025 Budgets, is one that has been continuously adhered to by Council.

The Equipment Replacement Reserve Fund is used to provide for the replacement of the City's existing equipment, vehicles, computers, and furnishings and the City's financial policy is to annually budget funds to this Reserve. During the FYs 2024 and 2025 budget process, the Council again ensured that funds were appropriated to maintain adequate reserves in the Equipment Replacement Fund. Through the end of FY 2024, the balance in this fund is \$3,013,836.

The City established a Facilities Replacement Fund to ensure that funds are available in the future for the replacement of buildings and improvements. Through the end of FY 2024, the balance in this fund is \$1,138,115.

Cash Management Policies and Practices

Cash resources of the individual funds are combined to form a pool of cash and investments. Cash temporarily idle during the year was invested primarily with Chandler Asset Management and with the Local Agency Investment Fund (LAIF) consistent with the City's Investment Policy.

The City's longstanding Investment Policy was adopted by the Council on June 26, 2024, and provides the City more flexibility to invest its excess funds to provide safety to ensure the preservation of capital in the portfolio, provide sufficient liquidity for cash needs, and to realize a market rate of return consistent with the investment program while staying within the requirements of California Government Code Section 53601.

The City's Investment Policy is designed to maximize the productive use of assets entrusted to its care and to invest and manage those funds wisely and prudently. Criteria for selecting investments and the order of priority are: (1) safety (2) liquidity and (3) yield. The basic premise underlying the City's Investment Policy is to ensure that money is safe, always available, and earning the highest and best returns.

Investment income includes appreciation/depreciation in the fair value of investments. The total investment gain for all funds for the fiscal year ended June 30, 2024, was \$2,799,903 (\$1,226,651 investment income received plus \$1,573,252 gain on the fair value), an increase of \$2,111,813 from the prior fiscal year's investment gain amount of \$688,090 (\$568,651 investment income received plus \$119,439 gain on fair value).

City Work Plan – FY 2025

The Fiscal Year 2025 Work Plan is a guiding document that includes all of the City Council's (Council) priority projects. This FY 2025 Work Plan focuses on four strategic priorities as the Council directs Staff on projects and programs: Community Character, Organizational Effectiveness, Environmental Sustainability and Fiscal Sustainability with the knowledge that all four areas of priority are important to the overall sustainability of the City.

On May 22, 2024, the Council held a public workshop to discuss the draft Fiscal Year 2024/2025 Work Plan and to accept public comments. At that public workshop, Council recommended changes to the draft Work Plan presented by City Staff. The revised Work Plan was then brought back to Council at the June 12, 2024, City Council meeting, where additional revisions were directed by the Council.

The revised final Fiscal Year 2025 Work Plan was brought back to Council for final consideration and was approved by the Council on June 26, 2024.

This Fiscal Year 2025 Work Plan will be added as a supplement item to our Fiscal Year 2024 Annual Comprehensive Financial Report to highlight the FY 2025 priorities and upcoming projects in greater detail.

Major Projects and Financial Planning

Annual Street Maintenance Program

The City has been increasing its level of commitment to maintain city streets. In 2021, a City-wide pavement condition assessment was performed to determine the most effective way to budget, repair, replace and preserve City streets. Based upon this condition assessment report, the consultant prepared a priority list for the City's pavement repairs and maintenance. This list was used to select street segments for the street maintenance and repair program. Construction of the FY 2023/24 Annual Street Maintenance Program was completed in November 2024. Design of the FY 2024/25 Annual Street Maintenance Program will begin in February 2025 and is expected to be presented to the City Council for consideration in early spring 2025.

The City strives to prioritize the streets most in need of maintenance. Overlay is an important part of preserving streets. This limits the need for major repairs which are much more costly to the City. The City Council approved allocating additional funds to this program at the end of FY 2022 and budgeted utilizing Measure S funding towards the program for FY 2024 and FY 2025 as this was identified as a priority of Measure S supporters. This signifies Council's commitment to this very impactful program.

Annual Sewer Main Maintenance Storm Drain Rehabilitation Program

The City budgets annually to clean sewer mains and rehabilitate Storm Drains citywide. The City maintains annual service agreements for basic cleaning of sewer mains and as-needed maintenance services for the City's storm drain system that includes an annual scheduled cleaning of an estimated 255,000 feet of sewer line. Preventative maintenance is also performed from time to time on low-flow diverters located at the Fletcher Cove Park and Seascape Sur Beach Access, the siphon structure in San Elijo Lagoon, sewer laterals at several City facilities and over 35 storm drain catch basins throughout the City.

In addition to routine cleaning and preventative maintenance, the service agreement includes a video inspection component and an "on-call" component to the Agreements to handle investigations, emergencies and spills as directed by Staff. These video inspections are also used to prioritize cleaning and replacement projects. Targeted prioritization limits the risk of sewer spills and storm drain related damage to roads and private properties.

Lomas Santa Fe Corridor Project

The project study area for the Lomas Santa Fe (LSF) Drive Corridor Project extends from Cedros Avenue on the east side of Highway 101 to Highland Drive at the City's eastern boundary. The City's goal for the Lomas Santa Fe Corridor Project is to design physical improvements that could be constructed to improve the community character, safety, walkability, bikeability, and circulation along this key east-west arterial through the City of Solana Beach. With the variation in character along the corridor, the Project evaluated feasible improvements that address transportation improvements that integrate with the surrounding land use, activity centers and community character along the Corridor.

The Phase III design of the project was completed in November 2021. Phase III of the project

included the final design of the improvements to LSF and was funded primarily through a grant from SANDAG. Some of the elements designed during Phase III include a multi-use path on the north side of LSF, striping and signal improvements, added parking, landscaping, and other items intended to slow down traffic and increase use of the corridor by pedestrians and bicycles. Staff has prepared a stand-alone construction plan from Interstate 5 to Highland Drive, consistent with the available Federal funding that has been successfully awarded due to significant efforts by Congressman Levin’s office for this project. Staff is currently working on securing all the necessary permits from agencies such as SFID, SDG&E and Caltrans and expects to release the bid for proposals in early 2025.

Marine Safety Center Design



The existing Marine Safety Center (MSC) at Fletcher Cove, shown above, was constructed in or around the 1940s and is showing signs of its age. As part of the FY 2015/16 Adopted Budget, funding was allocated to perform a needs assessment and feasibility study to determine the best course of action for the renovation/replacement of the existing facility.

To accomplish this task, a Professional Services Agreement with Stephen Dalton Architects (SDA) was approved at the March 23, 2016, City Council meeting. During FY 2017, Staff worked with SDA on the preparation of the Fletcher Cove MSC Feasibility/Needs Assessment Study. The results of the Study indicated that nearly all building components are degraded and are past their useful lifespan. Spatially, the current building layout does not meet the functional needs of the Lifeguards and portable structures are necessary for seasonal needs and storage.

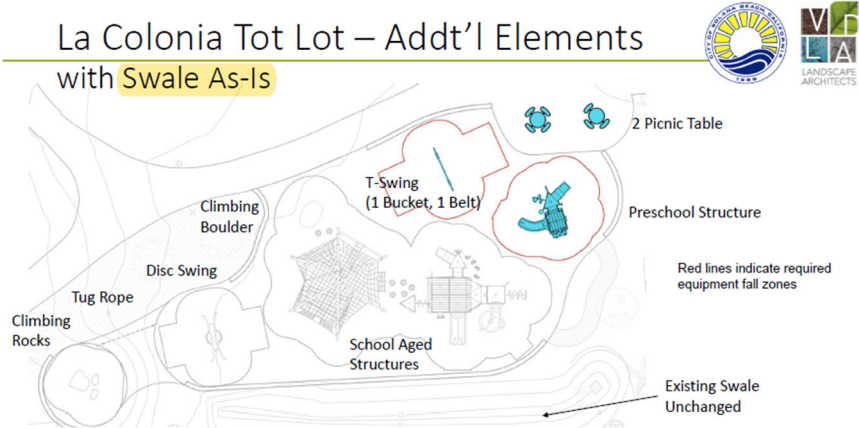
To continue with this task, a Professional Services Agreement with Domus Studios Architects (Domus) was approved at the October 24, 2018, City Council meeting. Since that time, Staff has been working with Domus on the preparation of preliminary design plans for the Fletcher Cove MSC. A community meeting was held in February 2019, and presentations occurred at Council meetings in November 2019, and October 2020. At the November 2019 Council meeting, three design options were presented and Council directed Staff to pursue the above-ground option. At the October 2020 Council meeting, a refined version of the above-ground option was presented. Further refined versions of the Marine Safety Center were presented

to the City Council in February 2023, November 2023 and January 2024. At the City Council meeting on February 8, 2023, the City Council provided direction to Staff based on a review of potential view impacts associated with the preliminary design.

During the past fiscal year, in collaboration with the City Staff and following the City Council's direction, the consultant team continued the design work on the preferred design options. The design team met with California Coastal Commission staff in August 2024 for a preliminary review of the refined above-ground version of the proposed Marine Safety Center. A second set of story poles were installed in September 2024 based on the January 2024 design shown below. The project will be moving into the final design phase in the spring of 2025 subject to the City Council's approval of the preliminary design, and conclusion of the View Assessment process. A total of \$1,500,000 was appropriated in the FY 2024 budget for design and engineering for the project.



La Colonia Park Tot Lot



In FY 2007, a community based La Colonia Park Needs Assessment Advisory Committee developed recommendations for improvements throughout La Colonia Park including ADA Transition Plan recommendations. The City completed the conceptual design for the park improvements in FY 2010 and preliminary design of the park during FY 2011.

Staff engaged Van Dyke Landscape Architects (VDLA) to design a new Tot Lot at La Colonia Park. In FY 2022 the City budgeted \$479,000 to design and construct the new Tot Lot and renovate the playground.

Construction of the new La Colonia Tot Lot was completed in November 2024. With a portion of the construction contingency, additional work was completed within La Colonia Park as part of this project. This additional work included resurfacing the basketball court, purchasing a bench for the pickleball court and installing a new fence along the south end of the vacant lots. The total cost for construction of the Tot Lot was approximately \$1,215,000. A Prop 68 Parks grant was received in the amount of \$233,089, which includes \$186,471 from the State and a City match of \$46,618. Staff also successfully submitted a grant application to the County of San Diego for the Neighborhood Reinvestment Program and was awarded \$50,000. Additionally, with the City's purchase of the property immediately north of the new Skate Park, an assessment of how to incorporate the property into the existing park is being conducted by Staff and VDLA.

Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Solana Beach for its ACFR for the fiscal year ended June 30, 2023. This was the twenty-second year in the past twenty-three years that the City has received this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report in accordance with the GASB 34 financial reporting model was made possible by the dedicated work of the Finance Department staff. We would also like to thank the Mayor and Council for their continued support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Alyssa Muto
City Manager

Respectfully submitted,



Rachel Jacobs
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Solana Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF SOLANA BEACH
LIST OF OFFICIALS AND ADVISORY BODIES
June 30, 2024

CITY COUNCIL

LESA HEEBNER
Mayor

JEWEL EDSON
Deputy Mayor

KRISTI BECKER
Council Member

DAVID A. ZITO
Council Member

JILL MACDONALD
Council Member

ADVISORY COMMISSIONS

Budget & Finance Commission
Climate Action Commission
Parks & Recreation Commission
Public Arts Commission
View Assessment Commission

CITY ADMINISTRATION

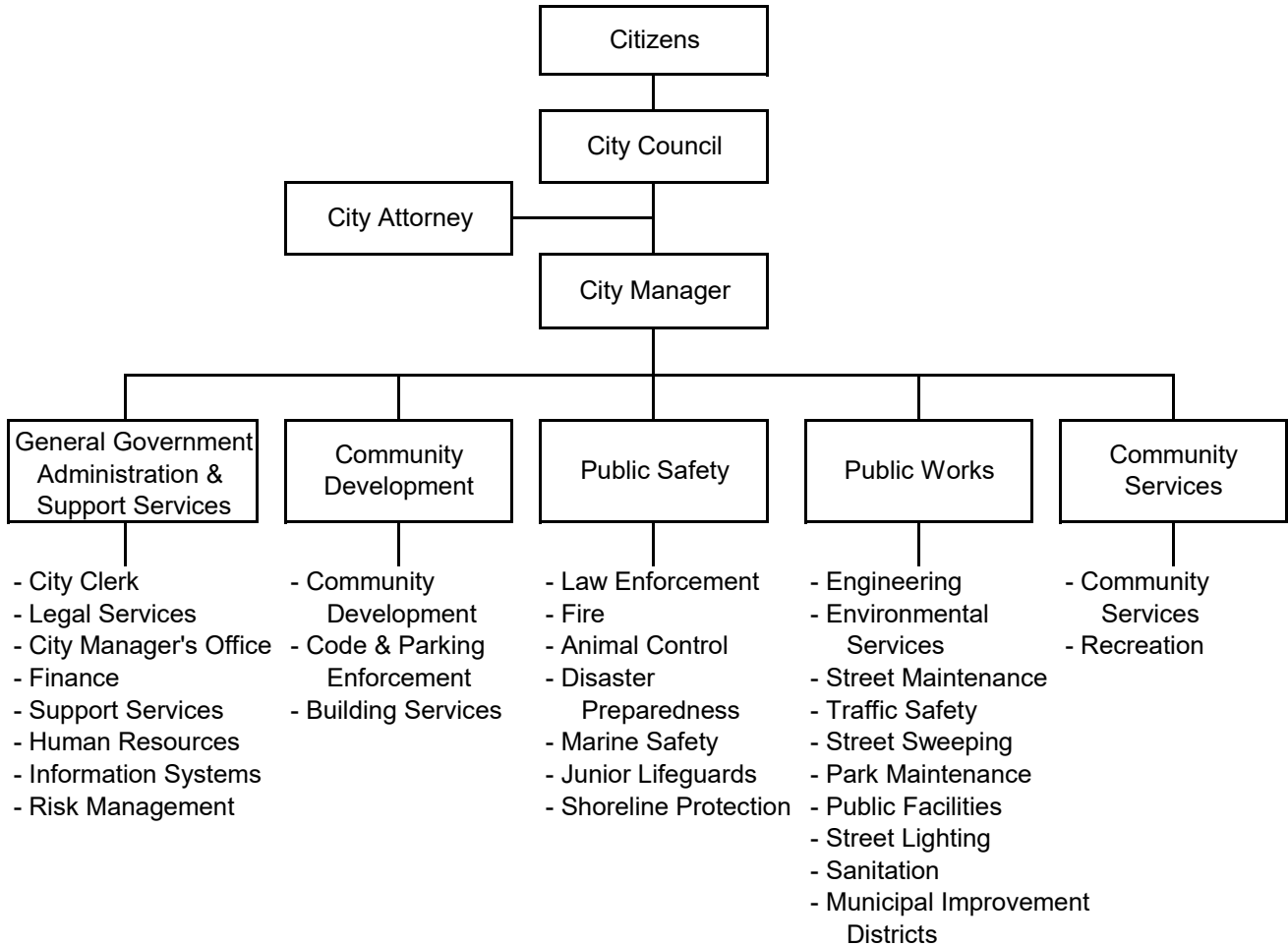
ALYSSA MUTO
City Manager

Dan King, Assistant City Manager
Johanna Canlas, City Attorney
Pouneh Sammak, Human Resources Director
Rachel Jacobs, Finance Director/City Treasurer
Mohammed Sammak, Director of Public Works/City Engineer
Joseph Lim, Director of Community Development
Angela Ivey, City Clerk
Michael Manriquez, Information Technology Director

CITY OF SOLANA BEACH

Organizational Chart

Fiscal Year 2023-2024



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FINANCIAL SECTION

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Independent Auditor's Report

City Council
City of Solana Beach
City of Solana Beach, 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 Solana Beach (the City), as of and for the year ended June 30, 2024, 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, as of June 30, 2024, 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.

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 information*, and pension and other post-employment *benefit schedules* 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.

Report on Summarized Comparative Information

We have previously audited the City's 2023 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated January 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

The *combining and individual nonmajor fund financial statements and budgetary comparison 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 budgetary comparison 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 December 6, 2024, 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.

DavisFarrLLP

Irvine, California
December 6, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Solana Beach (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024 (Fiscal Year (FY) 2024). It should be read in conjunction with the accompanying transmittal letter beginning on page i and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position increased to \$122,236,676, or by \$9,262,139, due to FY 2024 operations.
- Governmental net position equaled \$72,648,765.
- The total revenues for all governmental activities were \$38,212,658.
- The total expenditures for all governmental activities were \$27,494,677.
- The General Fund reported an excess of revenues over expenditures and other financing sources and uses by \$5,169,530.
- The General Fund's actual resources received exceeded the final revenue budget by \$2,852,588 while actual expenditures were \$2,269,171 less than the final budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are:

- (1) Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the City as a whole.
- (2) Fund financial statements describe how City services are financed in the short term as well as what resources are available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.
- (3) Notes to the financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the City's overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

These two statements report the City's net position and changes thereto. Net position, the difference between assets and liabilities, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to assess accurately the overall health of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All the City's basic services are considered governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, transient occupancy taxes, sales taxes, and franchise fees finance most of these activities.
- Proprietary activities/Business type activities - The City charges a fee to customers to cover all or most of the cost of the services provided. The City's Sanitation system and Solana Energy Alliance, which provides clean energy services to the public, are reported in this category.
- Component units - The City's governmental activities include the blending of the City of Solana Beach Public Facilities Corporation, a separate legal entity. Although legally separate, this "component unit" is important because the City is financially accountable for the corporation. A separate component unit financial statement was not issued for the Solana Beach Public Facilities Corporation since it has had no transactions, nor any assets, liabilities, or equity over the past three fiscal years.

Reporting the City's Most Significant Funds Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds that aid in the administration of resources for particular purposes or to meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's two kinds of funds, governmental and proprietary, use different accounting approaches:

- *Governmental funds* - Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the City's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* through the Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements.

- *Proprietary funds* - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The City as Trustee Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Assets and Liabilities. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City's other financial statements because the assets cannot be used to finance operations.

After the date of the dissolution of the Solana Beach Redevelopment Agency (RDA) on February 1, 2012, the assets and liabilities of the former redevelopment agency were transferred to the Successor Agency to the former Solana Beach RDA (Successor Agency) and are reported in a fiduciary fund (private-purpose trust fund).

THE CITY AS A WHOLE

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business activities.

Table 1
City of Solana Beach Net Position

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 56,994,219	\$ 48,847,596	\$ 50,791,169	\$ 51,169,143	\$ 107,785,388	\$ 100,016,739
Capital assets, net	43,138,419	41,808,198	16,740,055	17,094,784	59,878,474	58,902,982
Total Assets	100,132,638	90,655,794	67,531,224	68,263,927	167,663,862	158,919,721
Deferred Outflows	7,501,590	8,005,746	934,413	646,308	8,436,003	8,652,054
Liabilities:						
Long-term debt outstanding	26,423,395	27,355,767	17,497,020	16,783,995	43,920,415	44,139,762
Other liabilities	7,537,687	7,582,795	1,112,464	937,802	8,650,151	8,520,597
Total Liabilities	33,961,082	34,938,562	18,609,484	17,721,797	52,570,566	52,660,359
Deferred Inflows	1,024,381	1,792,194	268,242	144,685	1,292,623	1,936,879
Net Position:						
Net investment in capital assets	37,408,264	34,677,741	11,538,399	11,547,573	48,946,663	46,225,314
Restricted	27,017,802	21,964,017	-	-	27,017,802	21,964,017
Unrestricted	8,222,699	5,289,026	38,049,512	39,496,180	46,272,211	44,785,206
Total Net Position	\$ 72,648,765	\$ 61,930,784	\$ 49,587,911	\$ 51,043,753	\$ 122,236,676	\$ 112,974,537

The City's combined net position for the fiscal year ended June 30, 2024, of \$122,236,676. The City's net position for governmental activities increased from \$61,930,784 to \$72,648,765. The following is an explanation of the governmental activity changes between fiscal years as shown in Table 1:

- Current and other assets increased \$8,146,623 or 16.7% primarily due to increased cash and investments.
- Capital Assets net of depreciation increased \$1,330,221 or 3.2% mainly due to Capital Asset purchases. More information is provided in Table 5.

Changes related to Business activities are as follows:

- Capital Assets, net of depreciation decreased \$354,729 or 2.1% primarily due to current year depreciation on existing assets. More information is provided in Table 5.

Governmental Activities

The cost of all Governmental activities in FY 2024 was \$27,494,677 as shown on Tables 2 and 2.1. Of this cost, \$3,992,269 was paid for by those who directly benefited from the programs; \$2,282,195 was subsidized by grants received from other governmental organizations for both capital and operating activities; and \$21,220,213 was financed through general City revenues.

Table 2
City of Solana Beach Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,992,269	\$ 4,339,427	\$ 5,737,058	\$ 5,847,517	\$ 9,729,327	\$ 10,186,944
Operating grants and contributions	2,115,123	3,172,914	-	-	2,115,123	3,172,914
Capital grants and contributions	167,072	8,465,943	-	-	167,072	8,465,943
General revenues:						
Property tax	12,352,534	11,638,632	-	-	12,352,534	11,638,632
Sales & Use Tax	9,470,357	5,845,967	-	-	9,470,357	5,845,967
Transient Tax	2,883,709	2,904,236	-	-	2,883,709	2,904,236
Franchise Tax	857,126	897,472	-	-	857,126	897,472
Motor VLF - unrestricted	2,194,459	2,053,486	-	-	2,194,459	2,053,486
Use of Money and Property	2,435,453	783,458	560,865	149,640	2,996,318	933,098
Other	1,744,556	1,019,176	134,739	288,630	1,879,295	1,307,806
Total revenues	38,212,658	41,120,711	6,432,662	6,285,787	44,645,320	47,406,498
Expenses:						
General government	5,858,330	4,490,903	-	-	5,858,330	4,490,903
Public safety	13,129,413	11,414,093	-	-	13,129,413	11,414,093
Public works	5,642,968	5,377,186	-	-	5,642,968	5,377,186
Community Development	1,518,891	1,260,610	-	-	1,518,891	1,260,610
Community Services	975,860	919,234	-	-	975,860	919,234
Interest	369,215	385,479	-	-	369,215	385,479
Sanitation	-	-	7,886,664	5,019,606	7,886,664	5,019,606
Solana Energy	-	-	1,840	19,229	1,840	19,229
Total expenses	27,494,677	23,847,505	7,888,504	5,038,835	35,383,181	28,886,340
Increase/(decrease) in net position	10,717,981	17,273,206	(1,455,842)	1,246,952	9,262,139	18,520,158
Net position - July 1	61,930,784	44,657,578	51,043,753	49,796,801	112,974,537	94,454,379
Net position - June 30	\$ 72,648,765	\$ 61,930,784	\$ 49,587,911	\$ 51,043,753	\$ 122,236,676	\$ 112,974,537

Items of significance within Table 2 are:

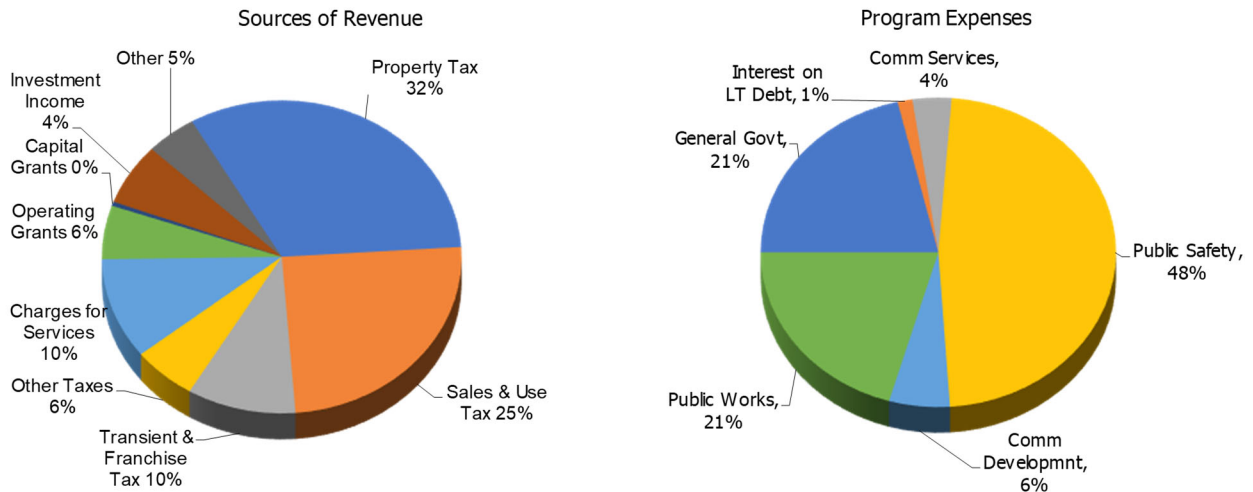
Revenues:

- Operating and Capital grants and contributions decreased by 98% or \$8,298,871 over the prior fiscal year amount mainly due to Sand Replenishment grant funds received in FY 2023.
- Sales and Use Tax increased by 62% or \$3,624,390 over the prior fiscal year due to the Measure S Tax being received for a full fiscal year.
- Use of Money and Property increased by 221% or \$2,063,220 over the prior fiscal year due to Interest Income and FMV Loss/Gain.

Expenses:

- General Government expenses increased in FY 2024 by 30.4% or \$1,367,427 from the prior fiscal year primarily due to changes in the City’s Pension and Other Pension Employee Benefits (OPEB) liabilities.
- Public Safety expenses increased by 15.0% or \$1,715,320 due to increased admin costs, OPEB liabilities, and equipment maintenance costs.
- Sanitation expenses increased by 57.1% or \$2,867,058 due to increased admin costs, increased SEJPA contributions, and equipment maintenance costs.

**Fiscal Year 2024
Governmental Activities**
(Graphic representation of Table 2 in percentages)

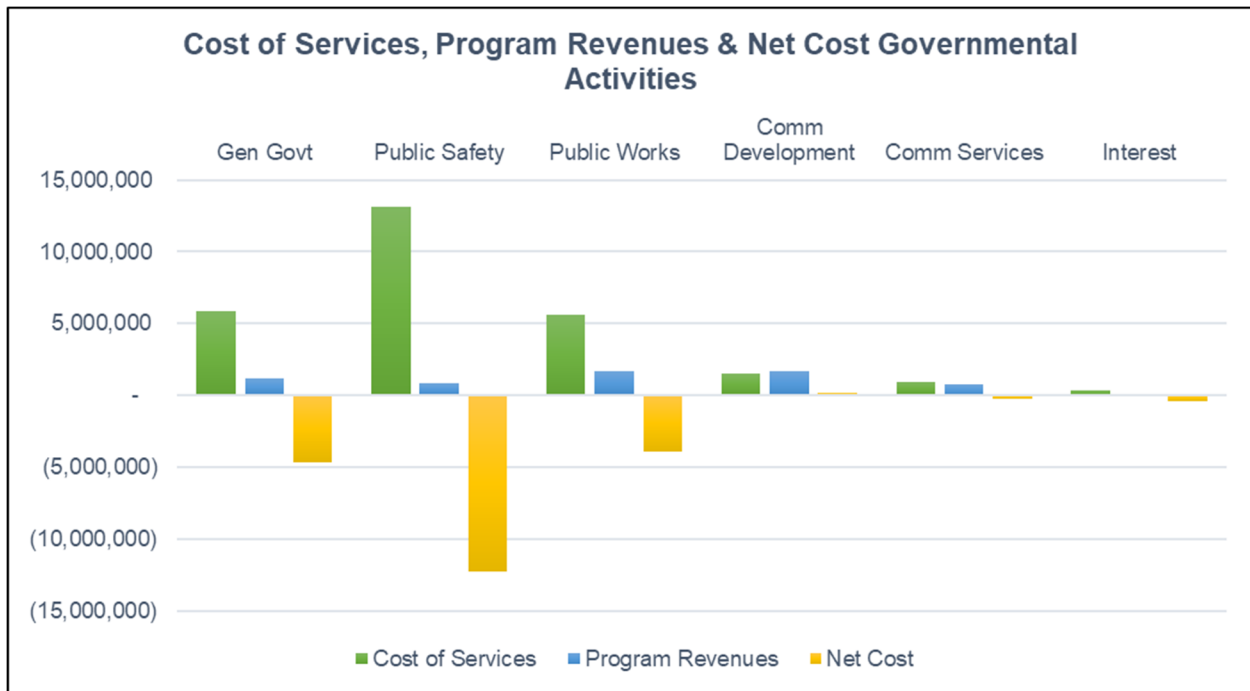


Net Cost of Governmental Activities

The City's programs include General Government, Public Safety, Public Works, Community Development, and Community Services. Each programs' net cost (total cost less revenues generated by the activities) is presented in Table 2.1. The net cost shows the extent to which the City's general taxes support each of the City's programs.

Table 2.1
Net Cost of Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
General government	\$ 5,858,330	\$ 4,490,903	\$ 1,175,137	\$ 1,126,175	\$ (4,683,193)	\$ (3,364,728)
Public safety	13,129,413	11,414,093	856,636	881,452	(12,272,777)	(10,532,641)
Public works	5,642,968	5,377,186	1,733,794	3,191,868	(3,909,174)	(2,185,318)
Community development	1,518,891	1,260,610	1,731,566	10,064,991	212,675	8,804,381
Community services	975,860	919,234	777,331	713,798	(198,529)	(205,436)
Interest on long-term debt	369,215	385,479	-	-	(369,215)	(385,479)
Totals	\$ 27,494,677	\$ 23,847,505	\$ 6,274,464	\$ 15,978,284	\$ (21,220,213)	\$ (7,869,221)



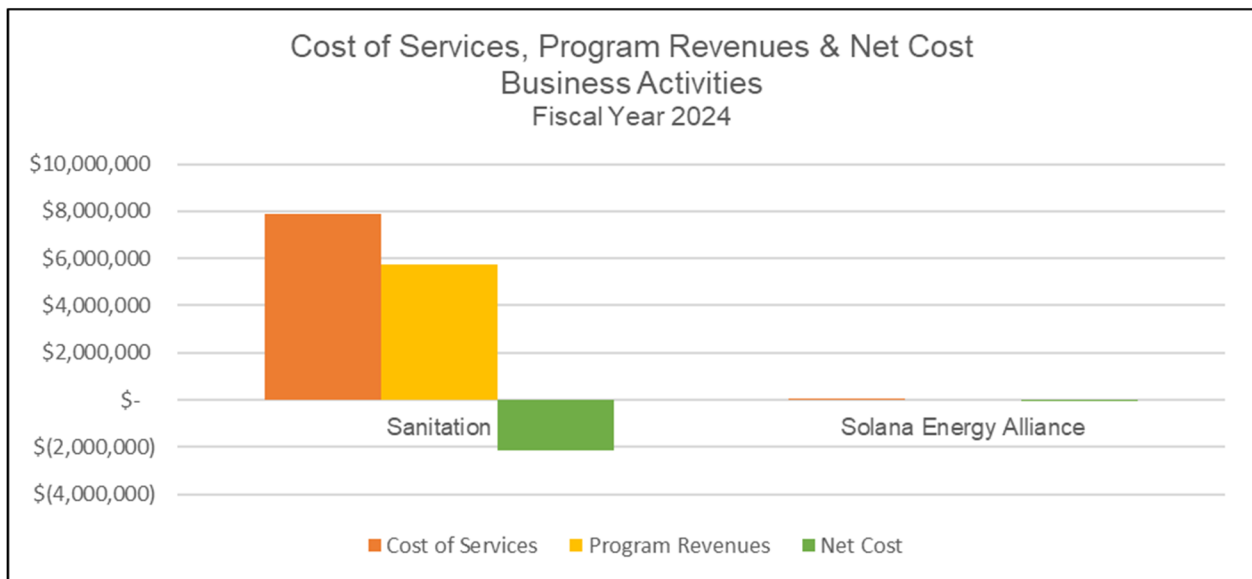
Total resources available during the year to finance governmental operations were \$100,143,442 consisting of a net position on July 1, 2024, of \$61,930,784, program revenues of \$6,274,464, and general revenues of \$31,938,194. Total governmental activities during the year were \$27,494,677, and as a result, net position increased by \$10,717,981 to \$72,648,765.

Business Type Activities

Net position of the Proprietary Fund (Business Type activities) on June 30, 2024, as reflected in Table 1, was \$49,587,911. As shown in Table 3, amounts paid by users of the Sanitation system and other operating revenue were \$5,737,058 while the cost of providing Sanitation Services in FY 2024 was \$7,886,664 resulting in a change in net position of (\$2,149,606). The total cost of providing Solana Energy Alliance services was \$1,840 while program revenues totaled \$0 resulting in a change in net position of (\$1,840).

Table 3
Net Cost of Business Activities

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
Sanitation	\$ 7,886,664	\$ 5,019,606	\$ 5,737,058	\$ 5,846,765	\$(2,149,606)	\$ 827,159
Solana Energy Alliance	1,840	19,229	-	752	(1,840)	(18,477)
Total Business Activities	\$ 7,888,504	\$ 5,038,835	\$ 5,737,058	\$ 5,847,517	\$(2,151,446)	\$ 808,682



Governmental Funds

The net change in Governmental Fund Balances is shown below in Table 4:

Table 4
City of Solana Beach Governmental Funds
Changes in Fund Balances

	General Fund		Capital Projects Fund City CIP		Other Governmental Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues:								
Taxes, Licenses, Fees and Intergovernmental	\$ 27,622,696	\$ 23,203,369	\$ -	\$ -	\$ 4,342,179	\$ 14,116,261	\$ 31,964,875	\$ 37,319,630
Charges for Services	852,040	890,968	7,662	264,997	671,616	646,173	1,531,318	1,802,138
Other	7,266,741	4,782,932	202,352	337,228	610,124	173,771	8,079,217	5,293,931
Total Revenues	35,741,477	28,877,269	210,014	602,225	5,623,919	14,936,205	41,575,410	44,415,699
Expenditures:								
Current	25,308,430	24,214,339	20,196	1,517	2,943,979	2,347,088	28,272,605	26,562,944
Capital Outlay	1,178,321	177,735	1,553,935	1,146,827	1,480,148	9,427,849	4,212,404	10,752,411
Debt	35,196	46,300	-	-	395,479	542,944	430,675	589,244
Total Expenditures	26,521,947	24,438,374	1,574,131	1,148,344	4,819,606	12,317,881	32,915,684	37,904,599
Net Transfers	(4,050,000)	(1,440,131)	4,050,000	2,841,916	-	(1,401,785)	-	-
Net Change in Fund Balances	\$ 5,169,530	\$ 2,998,764	\$ 2,685,883	\$ 2,295,797	\$ 804,313	\$ 1,216,539	\$ 8,659,726	\$ 6,511,100

The General Fund - Fund Balance increased by \$5,169,530 or 22.3% to \$28,349,784 from July 1, 2023, to June 30, 2024. This was mainly due to a 62% increase (\$3.6M) in sales tax revenues and 221% increase (\$2.1M) in Use of Money and Property due to interest income.

General Fund Budgetary Highlights

Revenues:

Actual revenues received were above the final year-end budget by \$2,852,588 or 5.1%. The largest variance was use of money and property with a \$1.3 million positive variance due to the interest income from our Investment Accounts.

There was a significant revenue variance in the Miscellaneous Grants Fund due to the revenue budgeted for Lomas Santa Fe grant but project hasn't been started yet.

Expenditures:

Actual expenditures incurred were lower than the final budget by \$2,268,267 or 7.9%. The largest variance to budget was in Public Works which came in \$421k under budget. This was mainly due to the deferred maintenance projects shifting into the next fiscal year. General Government department expenditures were below the final budget by \$947k. This was mainly the result of professional service savings in legal, information system, support services and building permit services.

Actual expenditures, in the Capital Projects City CIP fund, were \$2 million lower than budgeted due to ongoing projects that will be completed in FY 25.

Actual expenditures, in the Miscellaneous Grants Fund, were \$7 million lower than budgeted due to expenditure budgeted for Lomas Santa Fe project that hasn't begun capital construction yet.

Ending Fund Balance: Ending Fund Balance for the year increased by 22.3% from FY 2023, for a total ending balance of \$28,349,784. Included in the fund balance are non-spendable, restricted, committed, and assigned funds which total \$14,885,240. The unassigned portion is the part of the fund balance that is available for use without constraints established by legal requirements and totals \$13,464,544.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in the performance of City functions including infrastructure assets. Capital assets include equipment, buildings, land, park facilities, and roads.

As of June 30, 2024, net capital assets of the governmental activities totaled \$43,138,419 and the net capital assets of the business-type activities totaled \$16,740,055. Depreciation of capital assets is recognized in government-wide financial statements. (See Table 5 below and Note 4 to the financial statements.)

Over the next five years, funding for capital assets will come from current fund balances and revenues such as Gas Tax and TransNet. Significant projects are the Annual Pavement and Storm Drain projects, Lomas Santa Fe Drive Corridor Improvements, Marine Safety Center Renovations, and sewer pipeline improvements and replacement projects.

Table 5
City of Solana Beach Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,337,440	\$ 5,337,440	\$ 111,706	\$ 111,706	\$ 5,449,146	\$ 5,449,146
Buildings	9,274,596	9,678,488	5,883,585	6,134,497	15,158,181	15,812,985
Equipment & Vehicles	973,964	874,744	214,920	231,452	1,188,884	1,106,196
Infrastructure	24,182,159	15,135,078	10,529,844	10,554,309	34,712,003	25,689,387
Work in Progress	3,370,260	10,782,448	-	62,820	3,370,260	10,845,268
	<u>\$ 43,138,419</u>	<u>\$ 41,808,198</u>	<u>\$ 16,740,055</u>	<u>\$ 17,094,784</u>	<u>\$ 59,878,474</u>	<u>\$ 58,902,982</u>

Debt

At year-end, the City had \$7,136,388 in governmental type debt and \$15,167,942 in proprietary debt (both net of any premiums or discounts) totaling \$22,304,330. In addition to Bonds and Leases, debt as displayed here in the MD&A includes Claims, Judgements and Compensated Absences. These are liabilities of the city and amount to \$1,731 per capita as of June 30, 2024, which is a decrease of \$99 from \$1,830 on June 30, 2023.

See Table 6 below and Notes 9 through 10 to the financial statements for detailed descriptions.

Table 6
City of Solana Beach Outstanding Debt at Year-End

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Loan Payable	\$ 230,155	\$ 291,010	\$ -	\$ -	\$ 230,155	\$ 291,010
2017 - SEJPA Loan Payable	-	-	9,902,500	10,147,500	9,902,500	10,147,500
2017 Wastewater Refunding Bond	-	-	4,895,000	5,215,000	4,895,000	5,215,000
TransNet Bond	5,500,000	5,500,000	-	-	5,500,000	5,500,000
Bond premiums	-	-	306,656	332,211	306,656	332,211
Claims and judgements	780,015	838,000	-	-	780,015	838,000
Compensated absences	626,218	670,497	63,786	71,680	690,004	742,177
	<u>\$ 7,136,388</u>	<u>\$ 7,299,507</u>	<u>\$ 15,167,942</u>	<u>\$ 15,766,391</u>	<u>\$ 22,304,330</u>	<u>\$ 23,065,898</u>

NEXT YEAR’S BUDGET AND ECONOMIC FACTORS

In June 2023, the City Council adopted a two-year budget for fiscal years ending June 30, 2024, and June 30, 2025.

In considering the City Budget, the City Council and management focused on the challenge of balancing the budget amid economic climate rebound after the COVID-19 pandemic. Fiscal Years 2024 and 2025 budget projections were filled with uncertainty as the City’s revenue stream for certain revenues was unknown and the need to manage the rate of any expenditure cost increase had to be closely evaluated and monitored. The challenge given these circumstances was to prepare a budget that held costs in line while continuing to provide high quality services and to move forward implementing the City’s five-year capital improvement plan.

Overall, General Fund revenues are projected to decrease for FY 2025 by \$1.9 million or 6.0%, as compared to the FY 2024 actual revenues. The primary decrease is related to conservatively budgeting for interest income and the FY24 actuals being higher than budgeted for Measure S Sales Tax.

General Fund expenditures are projected to decrease for FY 2025 by \$1.6 million or 5.4% as compared to FY 2024 actual expenditures. This is due to one-time FY 2024 expenditures by Council to move projected surplus to CIP fund, PARS & OPEB Trust, Asset Replacement, and Facilities Replacement.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s fiduciary responsibility for the funds it receives. If you have questions about this report or need additional financial information, contact the City’s Finance Department, at the City of Solana Beach, 635 South Highway 101, Solana Beach, California 92075 or online: <https://www.cityofsolanabeach.org>

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2024	2023
ASSETS				
Cash and investments (Note 3)	\$ 47,413,846	\$ 12,759,631	\$ 60,173,477	\$ 53,453,025
Restricted cash and investments (Note 3)	6,764,356	-	6,764,356	5,003,450
Investment in joint venture (Note 13)	-	36,743,833	36,743,833	37,054,566
Receivables:				
Accounts, net	969,861	153,169	1,123,030	1,345,938
Interest	149,564	40,242	189,806	130,237
Intergovernmental	2,117,820	587,335	2,705,155	2,940,389
Internal balances	(506,959)	506,959	-	-
Inventories	44,707	-	44,707	47,545
Prepaid costs	41,024	-	41,024	41,589
Capital assets not being depreciated (Note 4)	8,707,700	111,706	8,819,406	16,294,414
Capital assets, net of accumulated depreciation (Note 4)	34,430,719	16,628,349	51,059,068	42,608,568
Total Assets	100,132,638	67,531,224	167,663,862	158,919,721
DEFERRED OUTFLOWS OF RESOURCES				
Pension related (Note 5)	7,497,191	931,907	8,429,098	8,558,124
OPEB related (Note 6)	4,399	2,506	6,905	93,930
Total Deferred Outflows of Resources	7,501,590	934,413	8,436,003	8,652,054
LIABILITIES				
Accounts payable	2,063,020	278,581	2,341,601	2,437,022
Accrued liabilities	414,298	27,785	442,083	324,158
Accrued interest payable	-	196,098	196,098	204,236
Deposits payable	3,944,073	-	3,944,073	4,403,446
Unearned revenue	647,696	-	647,696	550,185
Noncurrent Liabilities:				
Due within one year: bonds, loans, claims, compensated absences (Note 9)	468,600	610,312	1,078,912	1,349,342
Due in more than one year:				
Net pension liability (Note 5)	18,669,986	2,320,695	20,990,681	19,434,737
Net OPEB liability (Note 6)	1,085,621	618,383	1,704,004	2,240,677
Bonds, loans, claims, compensated absences (Note 9)	6,667,788	14,557,630	21,225,418	21,716,556
Total Liabilities	33,961,082	18,609,484	52,570,566	52,660,359
DEFERRED INFLOWS OF RESOURCES				
Pension related (Note 5)	707,951	87,999	795,950	1,474,160
OPEB related (Note 6)	316,430	180,243	496,673	462,719
Total Deferred Inflows of Resources	1,024,381	268,242	1,292,623	1,936,879
NET POSITION				
Net investment in capital assets (Note 11)	37,408,264	11,538,399	48,946,663	46,225,314
Restricted:				
Redevelopment activities	2,606,367	-	2,606,367	2,454,458
Public safety	1,208,303	-	1,208,303	1,122,185
Parks and recreation	-	-	-	38,306
Public works	4,973,618	-	4,973,618	4,782,223
Capital projects	11,439,272	-	11,439,272	8,537,510
Debt service	25,886	-	25,886	25,885
Pensions	6,764,356	-	6,764,356	5,003,450
Unrestricted	8,222,699	38,049,512	46,272,211	44,785,206
Total Net Position	\$ 72,648,765	\$ 49,587,911	\$ 122,236,676	\$ 112,974,537

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 5,858,330	\$ 1,175,137	\$ -	\$ -
Public safety	13,129,413	588,428	268,208	-
Community development	1,518,891	1,468,865	95,629	167,072
Community services	975,860	591,172	186,159	-
Public works	5,642,968	168,667	1,565,127	-
Interest	369,215	-	-	-
Total Governmental Activities	<u>27,494,677</u>	<u>3,992,269</u>	<u>2,115,123</u>	<u>167,072</u>
Business-Type Activities:				
Sanitation Fund	7,886,664	5,737,058	-	-
Solana Energy Alliance Fund	<u>1,840</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>7,888,504</u>	<u>5,737,058</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 35,383,181</u>	<u>\$ 9,729,327</u>	<u>\$ 2,115,123</u>	<u>\$ 167,072</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Transient occupancy taxes

Franchise taxes

Motor Vehicle in Lieu - unrestricted

Use of money and property

Miscellaneous revenues

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	
		2024	2023
\$ (4,683,193)	\$ -	\$ (4,683,193)	\$ (3,364,728)
(12,272,777)	-	(12,272,777)	(10,532,641)
212,675	-	212,675	8,804,381
(198,529)	-	(198,529)	(205,436)
(3,909,174)	-	(3,909,174)	(2,185,318)
(369,215)	-	(369,215)	(385,479)
<u>(21,220,213)</u>	<u>-</u>	<u>(21,220,213)</u>	<u>(7,869,221)</u>
-	(2,149,606)	(2,149,606)	827,159
<u>-</u>	<u>(1,840)</u>	<u>(1,840)</u>	<u>(18,477)</u>
-	(2,151,446)	(2,151,446)	808,682
<u>(21,220,213)</u>	<u>(2,151,446)</u>	<u>(23,371,659)</u>	<u>(7,060,539)</u>
12,352,534	-	12,352,534	11,638,632
9,470,357	-	9,470,357	5,845,967
2,883,709	-	2,883,709	2,904,236
857,126	-	857,126	897,472
2,194,459	-	2,194,459	2,053,486
2,435,453	560,865	2,996,318	933,098
1,744,556	134,739	1,879,295	1,307,806
<u>31,938,194</u>	<u>695,604</u>	<u>32,633,798</u>	<u>25,580,697</u>
<u>10,717,981</u>	<u>(1,455,842)</u>	<u>9,262,139</u>	<u>18,520,158</u>
<u>61,930,784</u>	<u>51,043,753</u>	<u>112,974,537</u>	<u>94,454,379</u>
<u>\$ 72,648,765</u>	<u>\$ 49,587,911</u>	<u>\$ 122,236,676</u>	<u>\$ 112,974,537</u>

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	General	Capital Projects Fund	Other Governmental	Totals	
		City CIP	Funds	2024	2023
ASSETS					
Cash and investments	\$ 25,119,006	\$ 9,559,813	\$ 12,735,027	\$ 47,413,846	\$ 41,028,483
Restricted cash and investments	6,764,356	-	-	6,764,356	5,003,450
Receivables:					
Accounts	860,509	-	109,352	969,861	1,224,378
Accrued interest	106,468	9,001	34,095	149,564	100,188
Intergovernmental	1,815,016	-	302,804	2,117,820	2,135,538
Due from other funds (Note 12)	399,366	-	-	399,366	600,791
Inventories	-	-	44,707	44,707	47,545
Prepaid costs	41,024	-	-	41,024	41,589
Total Assets	<u>\$ 35,105,745</u>	<u>\$ 9,568,814</u>	<u>\$ 13,225,985</u>	<u>\$ 57,900,544</u>	<u>\$ 50,181,962</u>
LIABILITIES					
Accounts payable	\$ 1,600,379	\$ 192,200	\$ 270,441	\$ 2,063,020	\$ 2,369,367
Accrued liabilities	354,777	-	59,521	414,298	259,192
Deposits payable	3,944,073	-	-	3,944,073	4,403,446
Due to other funds (Note 12)	-	-	50,767	50,767	68,305
Advances from other funds (Note 12)	855,558	-	-	855,558	1,266,061
Unearned revenues	1,174	-	646,522	647,696	550,185
Total Liabilities	<u>6,755,961</u>	<u>192,200</u>	<u>1,027,251</u>	<u>7,975,412</u>	<u>8,916,556</u>
FUND BALANCES (Note 11)					
Nonspendable	41,024	-	44,707	85,731	89,134
Restricted	6,764,356	9,376,614	12,265,348	28,406,318	21,964,017
Committed	1,292,880	-	-	1,292,880	1,292,880
Assigned	6,786,980	-	-	6,786,980	6,786,980
Unassigned (Deficit)	13,464,544	-	(111,321)	13,353,223	11,132,395
Total Fund Balances	<u>28,349,784</u>	<u>9,376,614</u>	<u>12,198,734</u>	<u>49,925,132</u>	<u>41,265,406</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,105,745</u>	<u>\$ 9,568,814</u>	<u>\$ 13,225,985</u>	<u>\$ 57,900,544</u>	<u>\$ 50,181,962</u>

CITY OF SOLANA BEACH, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds \$ 49,925,132

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets of \$121,381,061, net of accumulated depreciation of \$78,242,642, used in governmental activities are not financial resources and, therefore, are not reported in the funds. 43,138,419

Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.

Deferred outflows - pension related	7,497,191	
Deferred outflows - OPEB related	4,399	
Deferred inflows - pension related	(707,951)	
Deferred inflows - OPEB related	<u>(316,430)</u>	
Total Deferred Outflows and Inflows Related to Postemployment Benefits		6,477,209

Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.

Bonds payable	(5,500,000)	
Compensated absences	(626,218)	
Claims	(780,015)	
Loans payable	(230,155)	
Net OPEB liability	(1,085,621)	
Net pension liability	<u>(18,669,986)</u>	
Total Long-term Liabilities		<u>(26,891,995)</u>

Net Position of Governmental Activities \$ 72,648,765

CITY OF SOLANA BEACH, CALIFORNIA

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

	General	Capital Projects	Other	Total Governmental Funds	
		Fund	Governmental	2024	2023
		City CIP	Funds		
REVENUES					
Taxes and assessments	\$ 26,566,719	\$ -	\$ 2,940,512	\$ 29,507,231	\$ 24,943,501
Licenses, permits and fees	815,647	-	-	815,647	1,089,274
Intergovernmental	240,330	-	1,401,667	1,641,997	11,286,855
Charges for services	852,040	7,662	671,616	1,531,318	1,802,138
Use of money and property	1,825,425	113,932	496,098	2,435,455	783,458
Fines and forfeitures	528,722	-	-	528,722	408,220
Other revenues	4,912,594	88,420	114,026	5,115,040	4,102,253
Total Revenues	35,741,477	210,014	5,623,919	41,575,410	44,415,699
EXPENDITURES					
Current:					
General government	7,309,390	-	-	7,309,390	7,061,076
Public safety	12,534,729	-	1,075,351	13,610,080	12,708,776
Public works	3,072,649	20,196	1,606,057	4,698,902	4,324,397
Community development	1,522,980	-	139,698	1,662,678	1,625,027
Community services	868,682	-	122,873	991,555	843,668
Capital outlay	1,178,321	1,553,935	1,480,148	4,212,404	10,752,411
Debt service:					
Principal retirement	-	-	60,855	60,855	203,808
Interest and fiscal charges	35,196	-	334,624	369,820	385,436
Total Expenditures	26,521,947	1,574,131	4,819,606	32,915,684	37,904,599
Excess (Deficiency) of Revenue Over (Under) Expenditures	9,219,530	(1,364,117)	804,313	8,659,726	6,511,100
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 12)	-	4,050,000	70,375	4,120,375	5,093,101
Transfers out (Note 12)	(4,050,000)	-	(70,375)	(4,120,375)	(5,093,101)
Total Other Financing Sources (Uses)	(4,050,000)	4,050,000	-	-	-
Net Change in Fund Balances	5,169,530	2,685,883	804,313	8,659,726	6,511,100
Fund Balances - Beginning	23,180,254	6,690,731	11,394,421	41,265,406	34,754,306
Fund Balances - Ending	\$ 28,349,784	\$ 9,376,614	\$ 12,198,734	\$ 49,925,132	\$ 41,265,406

CITY OF SOLANA BEACH, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 8,659,726

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. 1,330,221

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal paid on long-term liabilities 60,855

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in accrued interest on long-term debt	605
Compensated absences	44,279
Claims and judgments	57,985
Changes in pension liabilities and related deferred outflows and inflows of resources	(452,576)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>1,016,886</u>

Total Expenses 667,179

Change in Net Position of Governmental Activities \$ 10,717,981

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PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2024	2023
ASSETS				
Current Assets:				
Cash and investments (Note 3)	\$ 12,759,069	\$ 562	\$ 12,759,631	\$ 12,424,542
Receivables:				
Accounts	96,755	56,414	153,169	121,560
Interest	40,242	-	40,242	30,049
Intergovernmental	583,335	4,000	587,335	804,851
Total Current Assets	<u>13,479,401</u>	<u>60,976</u>	<u>13,540,377</u>	<u>13,381,002</u>
Noncurrent Assets:				
Advances to other funds (Note 12)	855,558	-	855,558	1,266,061
Investment in joint venture	36,743,833	-	36,743,833	37,054,566
Capital assets not being depreciated (Note 4)	111,706	-	111,706	174,526
Capital assets, net of accumulated depreciation (Note 4)	16,628,349	-	16,628,349	16,920,258
Total Noncurrent Assets	<u>54,339,446</u>	<u>-</u>	<u>54,339,446</u>	<u>55,415,411</u>
Total Assets	<u>67,818,847</u>	<u>60,976</u>	<u>67,879,823</u>	<u>68,796,413</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	931,907	-	931,907	639,292
OPEB related	2,506	-	2,506	7,016
Total Deferred Outflows of Resources	<u>934,413</u>	<u>-</u>	<u>934,413</u>	<u>646,308</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	278,581	-	278,581	67,655
Accrued liabilities	26,428	1,357	27,785	64,966
Compensated absences (Note 9)	25,312	-	25,312	36,550
Accrued interest payable	196,098	-	196,098	203,631
Due to other funds (Note 12)	-	348,599	348,599	532,486
Loans and bonds payable - current (Note 9)	585,000	-	585,000	565,000
Total Current Liabilities	<u>1,111,419</u>	<u>349,956</u>	<u>1,461,375</u>	<u>1,470,288</u>
Noncurrent Liabilities:				
Compensated absences (Note 9)	38,474	-	38,474	35,130
Loans and bonds payable (Note 9)	14,519,156	-	14,519,156	15,129,711
Net pension liability	2,320,695	-	2,320,695	1,451,775
Net OPEB liability	618,383	-	618,383	167,379
Total Noncurrent Liabilities	<u>17,496,708</u>	<u>-</u>	<u>17,496,708</u>	<u>16,783,995</u>
Total Liabilities	<u>18,608,127</u>	<u>349,956</u>	<u>18,958,083</u>	<u>18,254,283</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	87,999	-	87,999	110,120
OPEB related	180,243	-	180,243	34,565
Total Deferred Inflows of Resources	<u>268,242</u>	<u>-</u>	<u>268,242</u>	<u>144,685</u>
NET POSITION				
Net investment in capital assets (Note 11)	11,538,399	-	11,538,399	11,547,573
Unrestricted (Deficit)	38,338,492	(288,980)	38,049,512	39,496,180
Total Net Position (Deficit)	<u>\$ 49,876,891</u>	<u>\$ (288,980)</u>	<u>\$ 49,587,911</u>	<u>\$ 51,043,753</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2024	2023
OPERATING REVENUES				
Charges for services	\$ 5,737,058	\$ -	\$ 5,737,058	\$ 5,847,517
Miscellaneous revenue	74,033	60,706	134,739	288,630
Total Operating Revenues	<u>5,811,091</u>	<u>60,706</u>	<u>5,871,797</u>	<u>6,136,147</u>
OPERATING EXPENSES				
Cost of sales and services	3,581,018	360	3,581,378	2,199,514
Administration	2,308,510	1,480	2,309,990	1,095,858
Depreciation	560,246	-	560,246	554,480
Total Operating Expenses	<u>6,449,774</u>	<u>1,840</u>	<u>6,451,614</u>	<u>3,849,852</u>
Operating Income (Loss)	<u>(638,683)</u>	<u>58,866</u>	<u>(579,817)</u>	<u>2,286,295</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	549,422	11,443	560,865	149,640
Interest expense	(577,500)	-	(577,500)	(598,127)
Share in joint venture net gain/(loss)	(859,390)	-	(859,390)	(590,856)
Total Nonoperating Revenues (Expenses)	<u>(887,468)</u>	<u>11,443</u>	<u>(876,025)</u>	<u>(1,039,343)</u>
Change in Net Position	(1,526,151)	70,309	(1,455,842)	1,246,952
Net Position - Beginning (Deficit)	<u>51,403,042</u>	<u>(359,289)</u>	<u>51,043,753</u>	<u>49,796,801</u>
Net Position - Ending (Deficit)	<u>\$ 49,876,891</u>	<u>\$ (288,980)</u>	<u>\$ 49,587,911</u>	<u>\$ 51,043,753</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,839,766	\$ 217,938	\$ 6,057,704	\$ 6,551,782
Payments to suppliers and service providers	(3,364,182)	(43,452)	(3,407,634)	(2,241,752)
Payments to employees for salaries and benefits	(1,161,028)	(1,480)	(1,162,508)	(876,367)
Net Cash Provided by (Used for) Operating Activities	<u>1,314,556</u>	<u>173,006</u>	<u>1,487,562</u>	<u>3,433,663</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Repayment received from capital-related interfund borrowings	410,503	-	410,503	399,399
Advances made for capital-related interfund borrowings	-	(183,887)	(183,887)	(158,456)
Acquisition and construction of capital assets	(205,516)	-	(205,516)	(115,310)
Principal paid on capital debt	(565,000)	-	(565,000)	(542,500)
Interest paid on capital debt	(610,588)	-	(610,588)	(630,124)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(970,601)</u>	<u>(183,887)</u>	<u>(1,154,488)</u>	<u>(1,046,991)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	539,229	11,443	550,672	121,383
Investment in joint venture	(548,657)	-	(548,657)	(1,184,744)
Net Cash Provided by (Used for) Investing Activities	<u>(9,428)</u>	<u>11,443</u>	<u>2,015</u>	<u>(1,063,361)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	334,527	562	335,089	1,323,311
Cash and Cash Equivalents - Beginning	<u>12,424,542</u>	<u>-</u>	<u>12,424,542</u>	<u>11,101,231</u>
Cash and Cash Equivalents - Ending	<u>\$ 12,759,069</u>	<u>\$ 562</u>	<u>\$ 12,759,631</u>	<u>\$ 12,424,542</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	<u>\$ (638,683)</u>	<u>\$ 58,866</u>	<u>(579,817)</u>	<u>\$ 2,286,295</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation expense	560,246	-	560,246	554,480
(Increase) decrease in accounts receivable	(31,966)	357	(31,609)	275,133
(Increase) decrease in intergovernmental receivables	60,641	156,875	217,516	140,502
(Increase) decrease in pension related deferred outflows of resources	(292,615)	-	(292,615)	(449,427)
(Increase) decrease in OPEB related deferred outflows of resources	4,510	-	4,510	3,738
Increase (decrease) in accounts payable	211,105	(180)	210,925	(44,443)
Increase (decrease) in accrued liabilities	5,731	(42,912)	(37,181)	2,205
Increase (decrease) in compensated absences	(7,894)	-	(7,894)	19,231
Increase (decrease) in net pension liability	868,920	-	868,920	983,494
Increase (decrease) in net OPEB liability	451,004	-	451,004	(13,110)
Increase (decrease) in pension related deferred inflows of resources	(22,121)	-	(22,121)	(302,953)
Increase (decrease) in OPEB related deferred inflows of resources	145,678	-	145,678	(21,482)
Total Adjustments	<u>1,953,239</u>	<u>114,140</u>	<u>2,067,379</u>	<u>1,147,368</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,314,556</u>	<u>\$ 173,006</u>	<u>\$ 1,487,562</u>	<u>\$ 3,433,663</u>
Schedule of Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bonds premium/discount	\$ 25,555	\$ -	\$ 25,555	\$ 25,555

See Accompanying Notes to the Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2024

	Pension (and Other Employee Benefit) Trust Fund	Private-Purpose Trust Fund	
	OPEB Trust Fund	Successor Agency of the Former RDA	Custodial Funds
ASSETS			
Cash and cash equivalents (Note 3)	\$ -	\$ 79,348	\$ 324,642
Investments (Note 3):			
Exchange traded funds	1,961,374	-	418
Local Agency Investment Fund	-	-	58,452
Asset-backed securities	-	-	14,713
Federal agency securities	-	-	43,965
Medium term corporate notes	-	-	38,809
Supranational securities	-	-	3,766
US Treasury securities	-	-	92,074
Receivables:			
Due from other governments	-	-	810
Total Assets	<u>1,961,374</u>	<u>79,348</u>	<u>577,649</u>
LIABILITIES			
Accounts payable	-	-	1,664
Accrued liabilities	-	992	-
Accrued interest	-	5,327	-
Long-term liabilities:			
Due in one year (Note 15)	-	138,200	-
Due in more than one year (Note 15)	-	1,764,200	-
Total Liabilities	<u>-</u>	<u>1,908,719</u>	<u>1,664</u>
NET POSITION			
Restricted for:			
Postemployment benefits other than pensions	1,961,374	-	-
Individuals, organizations, and other governments	-	(1,829,371)	575,985
Total Net Position	<u>\$ 1,961,374</u>	<u>\$ (1,829,371)</u>	<u>\$ 575,985</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Pension (and Other Employee Benefit) Trust Fund	Private-Purpose Trust Fund	
	OPEB Trust Fund	Successor Agency of the Former RDA	Custodial Funds
ADDITIONS			
Employers contributions	\$ 342,342	\$ -	\$ -
Investment earnings	186,194	690	11,949
Property taxes	-	267,466	-
Special assessment collections	-	-	220,046
Other revenues	-	-	33,703
Total Additions	<u>528,536</u>	<u>268,156</u>	<u>265,698</u>
DEDUCTIONS			
Administrative expenses	-	53,613	-
Contractual services	9,937	-	8,833
Principal expense	-	-	100,000
Interest expense	-	66,568	97,492
Total Deductions	<u>9,937</u>	<u>120,181</u>	<u>206,325</u>
Net Increase (Decrease) in Fiduciary Net Position	518,599	147,975	59,373
Net Position (Deficit) - Beginning	<u>1,442,775</u>	<u>(1,977,346)</u>	<u>516,612</u>
Net Position (Deficit) - Ending	<u>\$ 1,961,374</u>	<u>\$ (1,829,371)</u>	<u>\$ 575,985</u>

See Accompanying Notes to the Basic Financial Statements.

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**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Solana Beach, California (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Financial Reporting Entity

The City was formed July 1, 1986 after an election held June 3, 1986 in the proposed incorporated area. The City's incorporation involved a reorganization consisting primarily of the incorporation of the City of Solana Beach; the detachment of territory from the Cardiff Sanitation District and annexation of the same territory to the Solana Beach Sanitation District; the establishment of the Solana Fire Protection District and Solana Beach Sanitation District as subsidiary districts of the City; and the establishment of five improvement districts of the City, which coincided with five previously existing county service areas (CSAs). The City merged the Fire District ("District") into the City by dissolving the District and creating a separate Fire Department within the City's General Fund effective January 1, 1988. Effective July 1, 1990, the Solana Beach Sanitation District was dissolved and is now a department of the City.

The Solana Beach Public Facilities Corporation (Corporation) was incorporated on July 25, 1990 as a nonprofit public benefit corporation duly organized and existing under the Nonprofit Public Benefit Corporation Law. Its purpose is to benefit the City by providing financing for the planning, development, acquisition, construction, improvement, extension, repair, and renovation of public works projects, public facilities, furnishings, and equipment for use by the City. The Corporation does not issue separate financial statements. The City's basic financial statements have the Corporation included using the blended method since the governing bodies of the component unit is substantially the same as the governing body of the City. The Corporation provides services entirely to the City.

b. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to, Due from other funds
- Advances to, Advances from other funds
- Transfers in, Transfers out

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Revenues are recorded when received in cash, except those revenues subject to accrual (90 days after year-end, with the exception of property taxes, which is 60 days) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, franchise taxes, gas taxes, transient occupancy taxes, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major governmental funds:

General Fund - accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Solana Beach, these services include general government, public safety, public works, community development, and community services.

City CIP Capital Projects Fund - accounts for the acquisition, construction and improvement of capital facilities and infrastructure. Projects are funded by transfers from the General Fund.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Operating revenues, such as charges for services, in the proprietary funds are those revenues that are generated from exchange transactions as the primary operations of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. All other revenues, such as subsidies, taxes, and investment earnings, which result from non-exchange transactions or ancillary activities are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Sanitation Fund - is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing sewage and wastewater treatment services to the general public on a continuing basis be financed or recovered primarily through user charges.

Solana Energy Alliance Fund - is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing clean energy services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds include custodial funds, one pension (and other employee benefits) trust fund, and one private-purpose trust fund.

Custodial funds are used to account for collections received from special assessment districts and their disbursement to bondholders. Spending of custodial fund resources is controlled primarily through legal agreements and applicable State and Federal laws.

The Pension (and Other Employee Benefit) Trust Fund is used to report resources held in trust for retirees and beneficiaries covered by the City.

The Private-Purpose Trust Fund is used to account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

The Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

c. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Note 1: Summary of Significant Accounting Policies (Continued)

c. Cash, Cash Equivalents, and Investments (Continued)

The cash flow statements require presentation of “cash and cash equivalents”. For the purpose of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as “cash and cash equivalents”, as such funds are available to the various funds as needed.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund (LAIF)* which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to changes in interest rates.

d. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, pensions, OPEB, and for the acquisition and construction of capital projects.

e. Fair Value Measurement

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City’s own data.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

f. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the City. City policy has set the capitalization threshold for reporting infrastructure and all other capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	20-50 years
Equipment	3-25 years
Vehicles	5-10 years
Infrastructure - sewer lines	40-50 years
Infrastructure - other	20-60 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include roads and streets, curbs, gutters and sidewalks, streetlights, signs and signals, park equipment, and storm drains. The appropriate operating department maintains information regarding the infrastructure assets.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property that determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition.

Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

Note 1: Summary of Significant Accounting Policies (Continued)

g. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. These are the deferred outflows relating to the net pension and other post-employment benefit (OPEB) obligations reported in the government-wide statement of net position and proprietary statement of net position.

In addition to liabilities, the statement of financial position or governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The City reports two other items that qualify for reporting in this category which are the deferred inflows related to the pensions and other post-employment benefits reported in the government-wide statement of net position and proprietary statement of net position.

h. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the 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 type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

i. Compensated Absences

Government-Wide Financial Statements

For governmental activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources, rather than currently available financial resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the government-wide financial statements, as these amounts will be liquidated from future resources. In the proprietary fund, compensated absences are expensed in the period they are earned, and the unpaid liability is recorded as a long-term liability of the fund.

j. Pensions

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

k. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by Public Agency Retirement Services (PARS), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary.

For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

k. Other Post-Employment Benefits (OPEB) (Continued)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss with the net difference between projected and actual earnings on OPEB plan investments being recognized over five years and all other amounts being recognized over the expected average remaining service lifetime (EARS�) of 7.9 years at June 30, 2023.

l. Net Position

In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that was issued for the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

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

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

m. Net Position Flow Assumption

Sometimes the government 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 government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

n. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws, or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. The formal action required to establish, modify, or rescind a fund balance commitment is through a resolution.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized through a resolution the City Manager and the Director of Finance for that purpose.

Unassigned – This is the residual classification that includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

o. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

o. Fund Balance Flow Assumptions (Continued)

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

p. Property Taxes

Property taxes are levied on July 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of San Diego, California (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 90 days. The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2% per year. The City receives a share of this basic levy.

q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

r. Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 2: Stewardship, Compliance, and Accountability

a. Excess of Expenditures over Appropriations

On June 30, 2024, no funds reported expenditures exceeding appropriations.

b. Deficit Fund Equity

At June 30, 2024, the following nonmajor funds reported a deficit fund balance:

Nonmajor Fund Name	Classification	Deficit
CDBG	Special Revenue Fund	\$ 16,737
Camp Programs Fund	Special Revenue Fund	49,877

The deficit for the CDBG fund is due to the timing of reimbursements and revenues for its activities, and the Camp Program fund deficit was planned based on adopted budgets and both deficits are expected to be eliminated through future revenues and cost allocations.

c. Budgetary Compliance

The Assessment Districts CIP capital projects fund and Boating and Waterways fund did not adopt a budget for the fiscal year ended June 30, 2024.

Note 3: Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2024:

	Government-Wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Cash and investments	\$ 47,413,846	\$ 12,759,631	\$ 403,990	\$ 60,577,467
Restricted cash and investments	6,764,356	-	2,213,571	8,977,927
Total	\$ 54,178,202	\$ 12,759,631	\$ 2,617,561	\$ 69,555,394

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 3: Cash and Investments (Continued)

Cash and investments consisted of the following at June 30, 2024:

Cash and cash equivalents:	
Cash on hand	\$ 19,462
Demand deposits	<u>12,059,471</u>
Total cash and cash equivalents	<u>12,078,933</u>
Investments:	
Local Agency Investment Fund	16,757,598
United States Treasury	13,966,782
Federal Home Loan Bank	4,018,989
Federal Farm Credit Bank	3,875,100
Federal National Mortgage Association	474,050
Medium Term Notes	5,993,691
Money Market Funds	26,041
Supranationals	1,224,664
Asset Backed Securities	<u>2,413,827</u>
Total investments	<u>48,750,742</u>
Restricted investments (Section 115 Trust):	
Equity Mutual Fund	8,479,569
Fixed Income Mutual Fund	<u>246,150</u>
Total restricted investments	<u>8,725,719</u>
Total cash and investments	<u>\$ 69,555,394</u>

a. Cash Deposits

The carrying amounts of the City's cash deposits were \$12,059,471 at June 30, 2024. Bank balances were \$14,113,092 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below. The \$2,053,621 difference represents outstanding checks and other reconciling items.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The fair 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. As of June 30, 2024, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 3: Cash and Investments (Continued)

b. Investments

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

The following table 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 City has no investments held by bond trustee.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local agency bonds	Yes	5 years	30%	5%
U.S. Treasury bills	Yes	5 years	None	None
U.S. Treasury notes	Yes	5 years	None	None
State obligations - CA and others	Yes	5 years	30%	5%
California local agency obligations	Yes	5 years	30%	5%
U.S. agency securities	Yes	5 years	None	None
Banker's acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	10%
Non-Negotiable certificates of deposit	Yes	5 years	20%	None
Negotiable certificates of deposit	Yes	5 years	30%	5%
Certificate of Deposit Placement Services	Yes	5 years	30%	None
Collateralized Bank Deposits	Yes	N/A	None	None
Repurchase agreements	Yes	1 year	None	None
Medium-term notes	Yes	5 years	30%	5%
Mutual and money market funds	Yes	N/A	20%	10%
Mortgage pass-through and asset-backed securities	Yes	5 years	20%	5%
Asset backed security	Yes	5 years	20%	5%
County pooled investment funds	Yes	N/A	None	None
Joint powers authority pool	Yes	N/A	None	None
Supranational	Yes	5 years	30%	10%
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

* Based on state law or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table on the following page identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk and the concentration of credit risk.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 3: Cash and Investments (Continued)

b. Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	90 days	None	None
Investment contracts	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Section 115 Trust

The City has set up an IRS Section 115 Trust for the purpose of setting funding aside for the unfunded pension liability. The Trust is currently invested in money market, equity, bond, and exchange-traded funds, and at June 30, 2024, the fair value of the assets held in trust is \$8,725,719. The assets of the trust are reported as restricted cash and investments in the City's General Fund, with a corresponding restriction in the General Fund's fund balance.

c. External Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by LAIF, which are recorded on an amortized cost basis. The entire balance of the City's share of the investment pool is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

d. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments in the portfolio will fall due to changes in market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages this risk by investing its operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools to ensure liquidity and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note 3: Cash and Investments (Continued)

d. Risk Disclosures (Continued)

Investments	Fair Value	Remaining Investment Maturities		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 16,757,598	\$ 16,757,598	\$ -	\$ -
U.S. Treasury	13,966,782	5,806,483	5,705,570	2,454,729
U.S. Government Agency Securities:				
Federal Home Loan Bank	4,018,989	391,888	1,350,069	2,277,032
Federal Farm Credit Bank	3,875,100	691,134	916,381	2,267,585
Federal National Mortgage Association	474,050	-	474,050	-
Medium-term Notes	5,993,691	1,833,074	4,160,617	-
Money Market Mutual Funds	26,041	26,041	-	-
Supranationals	1,224,664	430,137	312,757	481,770
Asset Backed Securities	2,413,827	265,167	1,089,468	1,059,192
Investments Held in Section 115 Trust:				
Equity Mutual Fund	8,479,569	8,479,569	-	-
Fixed Income Mutual Fund	246,150	246,150	-	-
	<u>\$ 57,476,461</u>	<u>\$ 34,927,241</u>	<u>\$ 14,008,912</u>	<u>\$ 8,540,308</u>

Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified through the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only in investment types allowed for municipalities by the Government Code as listed in the City's investment policy and investing only in instruments that are most creditworthy. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of June 30, 2024, for each investment type.

Investments	Total as of June 30, 2024	Minimum Legal Rating	Rating			
			AAA	AA+/Aa1	A	Not Rated
Local Agency Investment Fund	\$ 16,757,598	N/A	\$ -	\$ -	\$ -	\$ 16,757,598
U.S. Treasury *	13,966,782	N/A	-	-	-	13,966,782
U.S. Government Agency Securities:						
Federal Home Loan Bank	4,018,989	N/A	4,018,989	-	-	-
Federal Farm Credit Bank	3,875,100	N/A	3,875,100	-	-	-
Federal National Mortgage Association	474,050	N/A	474,050	-	-	-
Medium-term Notes	5,993,691	A	241,260	773,407	4,979,024	-
Money Market Mutual Funds	26,041	AAA	26,041	-	-	-
Supranationals	1,224,664	AA	1,224,664	-	-	-
Asset Backed Securities	2,413,827	AA	2,413,827	-	-	-
Investments Held in Section 115 Trust:						
Equity Mutual Fund	8,479,569	N/A	-	-	-	8,479,569
Fixed Income Mutual Fund	246,150	N/A	-	-	-	246,150
	<u>\$ 57,476,461</u>		<u>\$ 12,273,931</u>	<u>\$ 773,407</u>	<u>\$ 4,979,024</u>	<u>\$ 39,450,099</u>

* Exempt from rating disclosure

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 3: Cash and Investments (Continued)

d. Risk Disclosures (Continued)

Custodial Credit Risk

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

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. The City investments in the US Government Agency issuers which held more than 5% of the investment portfolio are as follows:

Issuer	Investment Type	Fair Value
Federal Home Loan Bank	U.S. Government Agency Securities	\$ 4,018,989
Federal Farm Credit Bank	U.S. Government Agency Securities	3,875,100

e. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024:

	Level 1	Level 2	Uncategorized	Total
Local Agency Investment Fund	\$ -	\$ -	\$ 16,757,598	\$ 16,757,598
U.S. Treasury	13,966,782	-	-	13,966,782
U.S. Government Agency Securities	-	8,368,139	-	8,368,139
Medium-term Notes	-	5,993,691	-	5,993,691
Supranationals	-	1,224,664	-	1,224,664
Asset Backed Securities	-	2,413,827	-	2,413,827
Equity Mutual Fund	8,479,569	-	-	8,479,569
Fixed Income Mutual Fund	246,150	-	-	246,150
Money Market Mutual Funds	-	-	26,041	26,041
Total	\$ 22,692,501	\$ 18,000,321	\$ 16,783,639	\$ 57,476,461

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 4: Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<u>Governmental Activities</u>				
<i>Non-Depreciable Assets:</i>				
Land	\$ 5,337,440	\$ -	\$ -	\$ 5,337,440
Construction in progress	<u>10,782,448</u>	<u>3,101,654</u>	<u>(10,513,842)</u>	<u>3,370,260</u>
Total non-depreciable assets	<u>16,119,888</u>	<u>3,101,654</u>	<u>(10,513,842)</u>	<u>8,707,700</u>
<i>Depreciable Assets:</i>				
Buildings	6,014,902	-	-	6,014,902
Improvements	14,186,166	206,756	-	14,392,922
Equipment	2,925,993	376,235	-	3,302,228
Vehicles	2,359,744	178,119	-	2,537,863
Infrastructure	<u>75,745,019</u>	<u>10,680,427</u>	<u>-</u>	<u>86,425,446</u>
Total depreciable assets	<u>101,231,824</u>	<u>11,441,537</u>	<u>-</u>	<u>112,673,361</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(3,481,107)	(120,725)	-	(3,601,832)
Improvements	(7,041,473)	(489,923)	-	(7,531,396)
Equipment	(2,472,193)	(292,872)	-	(2,765,065)
Vehicles	(1,938,800)	(162,262)	-	(2,101,062)
Infrastructure	<u>(60,609,941)</u>	<u>(1,633,346)</u>	<u>-</u>	<u>(62,243,287)</u>
Total accumulated depreciation	<u>(75,543,514)</u>	<u>(2,699,128)</u>	<u>-</u>	<u>(78,242,642)</u>
Total depreciable assets, net	<u>25,688,310</u>	<u>8,742,409</u>	<u>-</u>	<u>34,430,719</u>
Total capital assets, net	<u>\$ 41,808,198</u>	<u>\$ 11,844,063</u>	<u>\$ (10,513,842)</u>	<u>\$ 43,138,419</u>

Governmental activities depreciation expense for capital assets for the year ended June 30, 2024, is as follows:

General Government	\$ 247,150
Public Safety	332,568
Public Works	1,685,835
Community Development	5,774
Community Services	<u>427,801</u>
Total Depreciation Expense	<u>\$ 2,699,128</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note 4: Capital Assets (Continued)

The following is a summary of changes in capital assets for business-type activities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<u>Business-Type Activities</u>				
<i>Non-Depreciable Assets:</i>				
Land	\$ 111,706	\$ -	\$ -	\$ 111,706
Construction in progress	62,820	-	(62,820)	-
Total non-depreciable assets	<u>174,526</u>	<u>-</u>	<u>(62,820)</u>	<u>111,706</u>
<i>Depreciable Assets:</i>				
Buildings	6,766,498	-	-	6,766,498
Improvements	18,632,262	268,337	-	18,900,599
Equipment	828,705	-	-	828,705
Total depreciable assets	<u>26,227,465</u>	<u>268,337</u>	<u>-</u>	<u>26,495,802</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(757,457)	(125,456)	-	(882,913)
Improvements	(7,952,497)	(418,258)	-	(8,370,755)
Equipment	(597,253)	(16,532)	-	(613,785)
Total accumulated depreciation	<u>(9,307,207)</u>	<u>(560,246)</u>	<u>-</u>	<u>(9,867,453)</u>
Total depreciable assets, net	<u>16,920,258</u>	<u>(291,909)</u>	<u>-</u>	<u>16,628,349</u>
Total capital assets, net	<u>\$ 17,094,784</u>	<u>\$ (291,909)</u>	<u>\$ (62,820)</u>	<u>\$ 16,740,055</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2024, is \$560,246, recorded in the Sanitation Fund.

Note 5: City Employees Retirement Plan - Pension Plans

a. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefits tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors nine rate plans (three miscellaneous and six safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 5: City Employees Retirement Plan - Pension Plans (Continued)

Benefits Provided

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

Below is a summary of the plans' provisions and benefits in effect at June 30, 2024, for which the City has contracted:

Major Benefit Options	Miscellaneous*	Miscellaneous Second Tier	Miscellaneous PEPRA	Safety Fire First Tier*	Safety Fire Second Tier	Safety Fire PEPRA	Safety Lifeguard First Tier*	Safety Lifeguard Second Tier*	PEPRA Other Safety
Hire Date	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013
Benefit Provision	2.5% @ 55	2.0% @ 60	2.0% @ 62	3.0% @ 50	2.0% @ 50	2.7% @ 57	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit Formula	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified	No Social Security Full/Modified
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 63	50 - 63	52 - 67;	50	50 - 55	50 - 57	50 - 55	50 - 55	52 - 67
Monthly Benefits as a Percentage of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%	3.0%	2.0% to 2.7%	2.0% to 2.7%	1.423% to 2.0%	1.423% to 2.0%	2.0% to 2.7%
Required Employer Contribution Rates	14.06%	10.10%	7.68%	27.11%	19.95%	13.54%	27.11%	19.95%	13.54%
Required Employee Contribution Rates	7.96%	6.93%	7.75%	8.99%	8.96%	13.75%	8.99%	8.96%	13.75%

* Closed to new member entrants.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as a reduction to the net pension liability was \$2,195,332.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2024

Note 5: City Employees Retirement Plan - Pension Plans (Continued)

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

As of June 30, 2024, the City of Solana Beach reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 7,863,579
Safety	<u>13,127,102</u>
Total	<u>\$ 20,990,681</u>

The net pension liability of each of the Plans is measured as of June 30, 2023, 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, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion 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 measured as of June 30, 2022 and 2023, respectively, was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Combined</u>
Proportion - June 30, 2022	0.15566%	0.17683%	0.16825%
Proportion - June 30, 2023	<u>0.15726%</u>	<u>0.17562%</u>	<u>0.16826%</u>
Change	<u>0.00160%</u>	<u>-0.00121%</u>	<u>0.00001%</u>

For the year ended June 30, 2024, the City recognized pension expense as follows:

<u>Miscellaneous</u>	<u>Safety</u>	<u>Total Plans</u>
\$ 1,274,233	\$ 2,040,041	\$ 3,314,274

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5: City Employees Retirement Plan - Pension Plans (Continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 940,970	\$ -
Changes of assumptions	474,760	-
Difference between expected and actual experience	401,714	62,316
Net difference between projected and actual earnings on plan investments	1,273,186	-
Differences between actual contributions and the proportionate share of contributions	14,941	150,527
Change in employer's proportion	<u>55,083</u>	<u>93,807</u>
Total Miscellaneous Plan	<u>3,160,654</u>	<u>306,650</u>
<u>Safety Plan</u>		
Pension contributions subsequent to measurement date	1,366,543	-
Changes in assumptions	766,115	-
Difference between expected and actual experience	963,771	82,509
Net difference between projected and actual earnings on plan investments	1,796,440	-
Differences between actual contributions and the proportionate share of contributions	118,765	406,791
Change in employer's proportion	<u>256,810</u>	<u>-</u>
Total Safety Plan	<u>5,268,444</u>	<u>489,300</u>
Total All Plans	<u>\$ 8,429,098</u>	<u>\$ 795,950</u>

The \$2,307,513 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 ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	<u>Deferred Outflows/(Inflows) of Resources</u>		
	Miscellaneous Plan	Safety Plan	Total
2025	\$ 523,420	\$ 1,091,005	\$ 1,614,425
2026	372,365	786,652	1,159,017
2027	980,715	1,484,803	2,465,518
2028	<u>36,534</u>	<u>50,141</u>	<u>86,675</u>
	<u>\$ 1,913,034</u>	<u>\$ 3,412,601</u>	<u>\$ 5,325,635</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 5: City Employees Retirement Plan - Pension Plans (Continued)

c. Actuarial Methods and Assumptions

Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) 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 Assumptions. 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.

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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 5: City Employees Retirement Plan - Pension Plans (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.45%
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)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management Study.

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

The following presents the City's proportionate share of the net pension liability of the 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% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

Plan Type	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Miscellaneous	\$ 11,744,242	\$ 7,863,579	\$ 4,669,459
Safety	18,879,663	13,127,102	8,423,974
Total	\$ 30,623,905	\$ 20,990,681	\$ 13,093,433

d. Pension Plan Fiduciary Net Position

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 6: Other Post-Employment Benefits

a. Plan Description

The City of Solana Beach Retiree Healthcare Plan (“Plan”) is a single employer defined benefit healthcare plan administered by the City. The Plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employees’ Retirement System healthcare program (PEMHCA). Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees and the unions representing City employees. The Retiree Healthcare Plan does not issue a financial report.

The City provides the PEMHCA minimum benefit (\$157 per month for 2024) but no less than \$325 per month for employees retired before January 1, 2007 and \$290 per month for employees hired before January 1, 2007.

b. Plan Membership

At June 30, 2024, the measurement date, the following numbers of participants were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	49
Inactive plan members entitled to but not yet receiving benefit payments	12
Active plan members	63
	<u>124</u>

c. Contributions

The contribution requirements of the Plan participants and the City are established by and may be amended by the City pursuant to agreements with its non-represented employees and the unions representing City Employees. The City pays cash and implied subsidy benefit payments and PEMHCA administrative fees directly from City assets. Contributions made to the trust are on an ad-hoc basis. On average over the past five years, 2.1 percent of payroll was contributed to the trust each year.

The City contributed \$369,427 during the 2024 fiscal year which consisted of \$177,914 of pay-as-you-go benefit payments, \$120,100 in contributions to the trust, \$722 in non-trust administration expenses, and \$70,691 in implied subsidy benefits. Retired plan members and their beneficiaries pay the annual premium cost not paid by the employer.

d. Net OPEB Liability of the City

	Fiscal Year Ending	
	June 30, 2024	June 30, 2023
Total OPEB Liability (TOL)	\$ 3,413,755	\$ 3,674,391
Fiduciary Net Position (FNP)	<u>1,709,751</u>	<u>1,433,714</u>
Net OPEB Liability (NOL)	<u>\$ 1,704,004</u>	<u>\$ 2,240,677</u>
Funded Status (FNP/TOL)	50.1%	39.0%

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 6: Other Post-Employment Benefits (Continued)

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the June 30, 2024 total OPEB liability, based on the following actuarial methods and assumptions:

e. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2023
Contribution Policy	City contributes full ADC
Discount Rate and Long-Term Expected Rate of Return on Assets	5.50% at June 30, 2024; Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate – 2.75% annually; Merit – CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Non-Kaiser) – 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Kaiser) – 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50% annually
Cap Increases	No increases on \$325 and \$290 benefit
Healthcare Participation for Future Retirees	Actives & Surviving Spouses Hired < 1/1/07 Covered – 90%; Waived – 70%. Actives & Surviving Spouses Hired > 1/1/07 Covered – 60%; Waived – 50%. Retirees & Surviving Spouses Covered 100%; Waived < 65 – 20% at 65; Waived > 65 – 0%

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 6: Other Post-Employment Benefits (Continued)

e. Changes in the OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 3,674,391	\$ 1,433,714	\$ 2,240,677
Changes for the year:			
Service cost	119,498	-	119,498
Interest	201,827	-	201,827
Assumption changes	(134,658)	-	(134,658)
Actual vs. expected experience	(198,698)	-	(198,698)
Contributions - employer	-	369,427	(369,427)
Net investment income	-	160,626	(160,626)
Benefit payments*	(248,605)	(248,605)	-
Administrative expenses	-	(5,411)	5,411
Net changes	<u>(260,636)</u>	<u>276,037</u>	<u>(536,673)</u>
Balance at June 30, 2024	<u>\$ 3,413,755</u>	<u>\$ 1,709,751</u>	<u>\$ 1,704,004</u>

*Benefit payments include an implied subsidy of \$70,691 for the measurement date June 30, 2024.

f. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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 discount rate:

	1% Decrease (4.50%)	Current Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability	\$ 2,128,823	\$ 1,704,004	\$ 1,352,059

g. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 1,434,316	\$ 1,704,004	\$ 2,092,734

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 6: Other Post-Employment Benefits (Continued)

h. OPEB Plan Fiduciary Net Position

The plan fiduciary net position is reported in the OPEB Trust Fund included in the City's Statement of Fiduciary Net Position.

i. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB income of \$46,267. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 211,112
Changes in assumptions	6,905	282,178
Net difference between projected and actual earnings on plan investments	-	3,383
Total	<u>\$ 6,905</u>	<u>\$ 496,673</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Outflows/(Inflows) of Resources
2025	\$ (160,068)
2026	(75,337)
2027	(68,129)
2028	(62,984)
2029	(43,076)
Thereafter	(80,174)
Total	<u>\$ (489,768)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 7: Commitments and Contingencies

a. Litigation

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

b. Construction Commitments

The following material construction commitments existed at June 30, 2024:

Project Name	Remaining Contract Amount
Sewer and Storm Drain Rehab	\$ 89,496
Pavement Maintenance Project	1,100,000

c. Sales Tax – TransNet Debt Commitment

On November 10, 2010, Solana Beach executed an agreement with The San Diego Association of Governments (SANDAG) relating to the 2010 Series A Bonds Build American Bonds (BABs) for the completion of several projects including the Highway 101 streetscape and traffic calming project and other eligible projects. In the agreement, SANDAG withholds one-sixth of the interest due each month when Sales Tax is sent from the Board of Equalization (BOE) in an effort to have the full amount with the Trustee by the 1st of April and 1st of October.

Note 8: Risk Management

a. General Liability Insurance

Public Risk Innovation, Solutions, and Management (PRISM), formerly known as CSAC – Excess Insurance Authority, is a member-directed risk sharing pool of counties and public entities. With the dissolution of SANDPIPA, the City elected to join the PRISM pool as a new member and procured all lines of insurance coverage for the City. PRISM is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

The City has a Self-Insured Retention (SIR) of \$100,000 per claim and additional coverage above its SIR with PRISM to \$5 million per claim; there is an additional \$45 million of reinsurance above PRISM coverage bringing the total coverage to over \$50 million per claim.

b. Workers' Compensation

Beginning October 1, 2004, the City became fully self-insured with respect to Workers' Compensation. The City has an SIR of \$125,000 per claim and additional coverage above its SIR with PRISM to \$5 million per claim; there is an additional \$45 million of reinsurance above PRISM coverage bringing the total coverage to over \$50 million per claim, up to the statutory workers' compensation limits set by the State of California.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 8: Risk Management (Continued)

The workers' compensation and general liability claims payable of \$780,015 reported at June 30, 2024, includes all claims for which information prior to the issuance of the financial statements indicates that it was probable that a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year. Changes in the claims liability amounts were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022 - 2023	\$ 1,098,000	\$ (121,075)	\$ (138,925)	\$ 838,000
2023 - 2024	838,000	-	(57,985)	780,015

The City also maintains insurance coverage in the following specific areas: real and personal property damage, special events, cyber liability, pollution, and master crime.

Note 9: Long-Term Liabilities

a. Changes in Long-term Liabilities

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Bonds Payable					
Limited Tax Bonds, Series 2010A	\$ 5,500,000	\$ -	\$ -	\$ 5,500,000	\$ -
Total Bonds Payable	5,500,000	-	-	5,500,000	-
Loan Payable	291,010	-	60,855	230,155	62,972
Compensated Absences	670,497	332,241	376,520	626,218	351,655
Claims (Note 8)	838,000	-	57,985	780,015	53,973
Total Governmental Activities	\$ 7,299,507	\$ 332,241	\$ 495,360	\$ 7,136,388	\$ 468,600
Business-Type Activities:					
Bonds Payable					
2017 Wastewater Revenue Refunding Bonds	\$ 5,215,000	\$ -	\$ 320,000	\$ 4,895,000	\$ 330,000
Premium	332,211	-	25,555	306,656	25,555
Total Bonds Payable	5,547,211	-	345,555	5,201,656	355,555
Direct Borrowings and Direct Placements					
San Elijo JPA Loan Payable - 2017	10,147,500	-	245,000	9,902,500	255,000
Total Direct Borrowings and Direct Placements	10,147,500	-	245,000	9,902,500	255,000
Compensated Absences	71,680	20,551	28,445	63,786	25,312
Total Business-Type Activities	\$ 15,766,391	\$ 20,551	\$ 619,000	\$ 15,167,942	\$ 635,867

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9: Long-Term Liabilities (Continued)**b. Governmental Activities****Bonds Payable****San Diego County Regional Transportation Commission Sales Tax Revenue Bonds**

On October 28, 2010, the San Diego Association of Governments (SANDAG), acting as the San Diego County Regional Transportation Commission, issued \$338,960,000 Taxable Build America Bonds 2010 Series A (Limited Tax Bonds). SANDAG is responsible for the administration of programs under the TransNet Extension ordinance, Proposition A, which sets forth the permitted uses for revenues from a half cent transaction and use tax in San Diego County (TransNet Extension Program). In fiscal year ended June 2010, the City borrowed \$5,500,000 from the TransNet debt financing program for the Highway 101 Streetscaping/Traffic Calming Project and other projects eligible under the terms of the debt financing and applicable SANDAG policies and approved projects. 2017 Wastewater Revenue Refunding Bonds. The bond is wholly secured by sales tax revenues pledged for the payment of debt service. In the event of default, all sales tax revenues pledged for the payment of the debt must be transferred to the bond trustee; however, there is no acceleration of payment on outstanding debt service. The total amount of the bond outstanding at June 30, 2024, is \$5,500,000.

The future principal and interest payments as of June 30, 2024, were as follows:

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2025	\$ -	\$ 325,105
2026	-	325,105
2027	-	325,105
2028	-	325,105
2029	-	325,105
2030 - 2034	-	1,625,525
2035 - 2039	461,520	1,625,525
2040 - 2044	2,587,560	1,194,787
2045 - 2048	2,450,920	369,042
Total	<u>\$ 5,500,000</u>	<u>\$ 6,440,404</u>

Loan Payable**Energy Efficiency/Conservation Upgrades**

On May 9, 2012, the City entered into a loan financing agreement with Municipal Finance Corporation for various energy efficiency/conservation upgrades at City facilities. The loan was executed in the amount of \$818,696. Payments are due in thirty-one semi-annual payments of \$35,187 and include interest at the rate of 3.45%. The City also executed an acquisition fund agreement with Deutsche Bank National Trust Company for distribution of the funds. At June 30, 2024, the balance of the loan liability was \$230,155.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 9: Long-Term Liabilities (Continued)

b. Governmental Activities (Continued)

The future principal and interest payments as of June 30, 2024, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 62,972	\$ 7,402
2026	65,163	5,211
2027	67,431	2,943
2028	<u>34,590</u>	<u>597</u>
Total	<u>\$ 230,156</u>	<u>\$ 16,153</u>

c. Business Type Activities

2017 Wastewater Revenue Refunding Bonds

On August 1, 2017, the City, issued \$6,865,000 of 2017 Wastewater Revenue Refunding Bonds to refund, on a current basis, the outstanding Solana Beach Public Financing Authority Subordinate Wastewater Revenue Bonds, Series 2006, which were issued to finance the improvement, betterment, renovation, and expansion of certain facilities within the City's municipal wastewater enterprise. These bonds have a 19-year maturity with principal payments ranging from \$210,000 to \$485,000 with the final maturity paid on March 1, 2036. Interest on the bonds is payable semi-annually March 1 and September 1 commencing on March 1, 2018. Interest rates range from 4.00% to 4.375%. Failure by the City to make debt service payments on the Bonds constitutes an event of default under the Indenture and the Trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the Trustee has the right to accelerate the total unpaid principal amount of the debt service payments on the Bonds, there is no assurance that the City would have sufficient funds to pay the accelerated amounts.

The Bonds are paid solely from, and secured by a pledge of, installment payments and moneys in the funds and account held under the indenture. The installment payments are special limited obligations of the City payable solely from and secured by a pledge of and first lien on residual net revenues of the Wastewater System. Residual net revenues consist of revenues derived from the Wastewater System and remaining after the payment of operating and maintenance expense and debt service on the JPA Loan Payable. The loan amount outstanding at June 30, 2024, is \$4,895,000.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 9: Long-Term Liabilities (Continued)

c. Business Type Activities (Continued)

The future principal and interest payments as of June 30, 2024, were as follows:

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2025	\$ 330,000	\$ 174,006
2026	340,000	164,106
2027	350,000	153,906
2028	370,000	136,406
2029	380,000	121,606
2030 - 2034	2,165,000	360,268
2035 - 2038	960,000	45,156
Total	<u>\$ 4,895,000</u>	<u>\$ 1,155,454</u>

San Elijo JPA Loan Payable - 2017

On June 1, 2017, the San Elijo Joint Powers Authority issued the 2017 Revenue Bonds for the purpose of funding facilities and improvements as part of the Authority's capital improvement plan. Each local agency entered into a "Series 2017 Loan Agreement" on June 1, 2017 to assist in the financing of the Local Agencies' respective share of the Bonds. The City of Encinitas and the City of Solana Beach will each be paying 50 percent of total debt service on the bonds, respectively. In the event of default, the trustee may accelerate the payment of outstanding principal and interest. The loan is wholly secured by revenues pledged for the payment of the loan. The loan matures on March 1, 2047. The interest rates on the bonds range from 3.00% to 5.00% per year. The City of Solana Beach's portion of annual principal installments range from \$217,500 to \$642,500. The total amount of the bond outstanding at June 30, 2024, is \$9,902,500.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9: Long-Term Liabilities (Continued)

a. Business Type Activities (Continued)

The future principal and interest payments as of June 30, 2024, were as follows:

Year Ending June 30,	Direct Borrowings	
	Principal	Interest
2025	\$ 255,000	\$ 414,288
2026	267,500	401,538
2027	280,000	388,163
2028	295,000	374,163
2029	310,000	359,413
2030 - 2034	1,785,000	1,556,565
2035 - 2039	2,210,000	1,134,221
2040 - 2044	2,645,000	696,900
2045 - 2047	1,855,000	150,300
Total	<u>\$ 9,902,500</u>	<u>\$ 5,475,551</u>

Compensated Absences

Compensated absences do not have a fixed repayment schedule and become payable when leave is used by employees. Governmental activities' compensated absences are typically liquidated through the General Fund, and business-type activities' compensated absences are liquidated through the Water Utility Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 10: Debt Covenant Compliance for JPA Loans

In Compliance with bond issuance covenants, specifically, the 2011 and 2017 San Elijo JPA Bonds, the City is including this table showing debt service coverage for the fiscal year of at least 1.30 times (i) the loan installments coming due and payable during the fiscal year, (ii) all payments required with respect to parity debt, and (iii) amount required to replenish the Reserve Fund as required by the indenture. The City covenants under the 2017 Wastewater Revenue Refunding Bond agreement require while the Bonds remain outstanding and to the extent permitted by law, the City will fix, prescribe, and collect rates and charges which will be at least sufficient to yield during each fiscal year Residual Net Revenues equal to one hundred thirty percent (130%) of Debt Service. The debt coverage ratios for the 2011 and 2017 San Elijo JPA Loans Payable and the 2017 Wastewater Revenue Refunding Bonds are calculated as follows:

	2017 JPA Loan	2017 Wastewater Bonds
Revenues:		
Operating revenues	\$ 5,737,058	\$ 5,737,058
Other operating	74,033	74,033
Non-operating	<u>549,422</u>	<u>549,422</u>
Gross revenues	<u>6,360,513</u>	<u>6,360,513</u>
Expenses	<u>5,928,430</u>	<u>5,928,430</u>
Net Income	432,083	432,083
Add Back:		
Interest expense	577,500	577,500
Depreciation	560,246	560,246
Loss on disposal of capital assets	<u>(234,665)</u>	<u>(234,665)</u>
Net Revenues Available for Debt Service (2011 and 2017 JPA Loans)	<u>\$ 1,335,164</u>	1,335,164
2017 Refunding Revenue Bonds Debt Service:		
Principal repayment	245,000	245,000
Interest charges	<u>424,088</u>	<u>424,088</u>
Total debt service	<u>\$ 669,088</u>	<u>669,088</u>
Net Revenues Available for Debt Service (2017 Wastewater Bonds)		<u>\$ 666,076</u>
2017 Wastewater Revenue Refunding Bonds Debt Service:		
Principal repayment		\$ 320,000
Interest charges		<u>186,806</u>
Total debt service		<u>\$ 506,806</u>
Coverage Ratio	<u>2.00</u>	<u>1.31</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 11: Classification of Fund Balances

The City has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

Classification	General	City CIP	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ -	\$ -	\$ 44,707	\$ 44,707
Prepaid Costs	41,024	-	-	41,024
Total Nonspendable	41,024	-	44,707	85,731
Restricted:				
Section 115 Pension Stabilization Trust	6,764,356	-	-	6,764,356
TransNet	-	-	395,308	395,308
Gas Tax	-	-	749,514	749,514
Municipal Improvement Districts	-	-	1,320,231	1,320,231
Lighting District	-	-	3,653,387	3,653,387
COPS	-	-	334,543	334,543
Public Safety	-	-	812,555	812,555
Fire Mitigation	-	-	61,205	61,205
Coastal Area Business/Visitor Assistance & Enhancement	-	-	1,354,603	1,354,603
Miscellaneous Grants	-	-	134,100	134,100
Boating & Waterways	-	-	3,967	3,967
Housing	-	-	1,461,545	1,461,545
SB1 Streets & Roads	-	-	469,578	469,578
Capital Projects	-	9,376,614	100,410	9,477,024
Sand Replenishment	-	-	1,388,516	1,388,516
Debt Service	-	-	25,886	25,886
Total Restricted	6,764,356	9,376,614	12,265,348	28,406,318
Committed:				
Parks & Recreation	37,057	-	-	37,057
Public Facilities	924,228	-	-	924,228
Public Art	26,728	-	-	26,728
In-Lieu Housing	100,786	-	-	100,786
Other Post-Employment Benefits	204,081	-	-	204,081
Total Committed	1,292,880	-	-	1,292,880
Assigned:				
Housing	1,499,500	-	-	1,499,500
Community TV	87,740	-	-	87,740
Street Sweeping	134,706	-	-	134,706
Park Fees	44,518	-	-	44,518
Asset Replacement	3,364,430	-	-	3,364,430
Self-Insurance	203,597	-	-	203,597
Workers' Compensation	719,394	-	-	719,394
Public Facilities	733,095	-	-	733,095
Total Assigned	6,786,980	-	-	6,786,980
Unassigned	13,464,544	-	(111,321)	13,353,223
Total Fund Balance	\$ 28,349,784	\$ 9,376,614	\$ 12,198,734	\$ 49,925,132

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 11: Classification of Fund Balances (Continued)

a. Net investment in capital assets

The detail of net investment in capital assets for the year ended June 30, 2024 is as follows:

	Governmental Activities	Business-Type Activities Sanitation Fund
Capital assets, net of accumulated depreciation	\$ 43,138,419	\$ 16,740,055
Less:		
Bonds, notes and finance purchase agreements	(5,730,155)	(4,895,000)
Add:		
Unamortized premiums/(discounts)	-	(306,656)
Net investment in capital assets	<u>\$ 37,408,264</u>	<u>\$ 11,538,399</u>

Note 12: Interfund Transactions

a. Due From and To Other Funds

At June 30, 2024, the City had the following short-term interfund receivables and payables:

	Due to Other Funds	Due From Other Funds
Governmental Funds:		
General Fund	\$ -	\$ 399,366
CDBG	17,478	-
Camp Programs	33,289	-
Enterprise Fund:		
Solana Energy Alliance	348,599	-
Total	<u>\$ 399,366</u>	<u>\$ 399,366</u>

Due from/to other funds balances arise from the short-term borrowing made from the City's General Fund to various other funds to cover cash shortages during the year.

b. Interfund Transfers

For the year ended June 30, 2024, the City had the following transfers:

Transfers Out	Transfers In		
	City CIP Fund	Non-Major Governmental Funds	Totals
General Fund	\$ 4,050,000	\$ -	\$ 4,050,000
Non-Major Governmental Funds	-	70,375	70,375
Total	<u>\$ 4,050,000</u>	<u>\$ 70,375</u>	<u>\$ 4,120,375</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 12: Interfund Transactions (Continued)

Transfer was made from the Lighting District nonmajor special revenue fund to the City Debt Service nonmajor debt service fund to provide resources for debt service payments. Transfer was made from the General Fund to the City CIP fund for the purposes of funding capital projects.

c. Advances to, Advances from other funds

On July 11, 2018, the City Council adopted Resolution 2018-069 approving the purchase and sale agreement for 700 Stevens Avenue (“Property”) for \$2.8 million; establishing an internal General Fund service fund named “Real Property Acquisition” to receive funds from the Sanitation fund to pay for the acquisition of the Property; and authorizing the transfer of \$2.8 million from the Sanitation Fund to the Real Property Acquisition fund as a loan payable to the Sanitation fund at an annual interest rate of 2.78% for seven years with annual payments equal to \$445,699.

The City is a built-out coastal community and availability of vacant land is scarce. The Property is three parcels of vacant land totaling approximately 28,978 square feet and is located immediately north of and adjacent to La Colonia Park. The purchase of the Property offered the City an opportunity to expand the existing open space, recreation and park use in the future.

The City has the ability to make this kind of transfer from one fund to another so long as there is no prohibition on the use of the funds. In this case, the Sanitation funds are not specifically prohibited for other uses (except for connection fees, which cannot be used for any other purpose). See Health & Safety Code §§ 5473 et seq.

The City elected to borrow funds from its Sanitation Fund to pay for the purchase of the Property. Repayment to the Sanitation Fund will be as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 421,914	\$ 23,785	\$ 445,699
2026	433,644	12,055	445,699
Total	\$ 855,558	\$ 35,840	\$ 891,398

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 13: Investment in Joint Venture

On June 17, 1987, the Cardiff Sanitation District and the City of Solana Beach established the San Elijo Joint Powers Authority (SEJPA), a separate legal entity, whose function is to manage, operate, maintain, and expand a plant for the treatment and disposal of sewage or wastewater and to determine the joint and separate obligations of the members concerning the transmission, treatment, disposal and reclamation of sewage and wastewater within the respective service territories. The SEJPA's governing board consists of two members from each entity. The City of Solana Beach's investment in the SEJPA has been recorded using the equity method of accounting and is shown as an investment in joint venture in the City's financial statements. Summarized audited information of the SEJPA for the fiscal year ended June 30, 2024, is as follows:

Operating revenues	\$ 10,972,933
Operating expenses	(13,011,403)
Net non-operating income	1,697,119
Capital contributions	<u>1,819,884</u>
Change in net position	<u>\$ 1,478,533</u>
Total assets and deferred outflows of resources	\$ 118,847,477
Total liabilities and deferred inflows of resources	<u>(43,259,812)</u>
Net position - total fund equity	<u>\$ 75,587,665</u>

Prior to the formation of the San Elijo Joint Powers Authority, the Cardiff Sanitation District and the City of Solana Beach operated the San Elijo water pollution control facility under an agreement whereby operating costs were shared based on usage and capital expansions were funded 56% by Cardiff and 44% by Solana Beach. Upon formation of the SEJPA in June 1987 the members continued funding SEJPA activities in this manner until May 1989, when the equity interests in the joint venture were revised to 50% Cardiff and 50% Solana Beach. To effect the change in equity interests, the City of Solana Beach agreed to pay Cardiff Sanitation District \$750,680, which included a premium on the value of the equity interest in the amount of \$437,782. This premium is being amortized over the estimated useful life of the facility of forty years.

A summary of the changes in the City's investment in the San Elijo Joint Powers Authority for the year ended June 30, 2024, is as follows:

Investment at June 30, 2023	\$ 37,054,566
Capital contribution	548,657
Current year share in the joint venture net income (loss)	<u>(859,390)</u>
Investment at June 30, 2024	<u>\$ 36,743,833</u>

The financial statements of the SEJPA can be obtained from the Solana Beach Finance Department located at Solana Beach City Hall, 635 S. Highway 101, Solana Beach, California 92075.

Note 14: Non-City Obligations – Special Assessment Debt

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed property. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders.

The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements.

a. Undergrounding Districts

During July 2006, the Solana Beach Public Financing Authority issued Assessment District Revenue Bonds totaling \$2,112,000 (less bond issuance costs of \$244,393) to finance the undergrounding of utility lines for the Barbara/Granados Avenue Utility Undergrounding District and the Pacific Avenue/East and West Circle Drive Utility Underground Assessment District. In July 2008, the City of Solana Beach issued \$480,000 (less bond issuance costs of \$87,775) to finance the undergrounding of utility lines on Marsolan Avenue. The outstanding bonds as of June 30, 2024, were \$1,585,000.

b. South Solana Sewer District

In November 2006, the Solana Beach Public Financing Authority issued Limited Obligation Improvement Bonds totaling \$570,000 (less bond issuance costs of \$5,742) to finance the construction of sewer improvements to connect 51 properties of the South Solana Beach Sewer District assessment district to the City's sewer system. The outstanding bonds as of June 30, 2024, were \$350,000.

Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Solana Beach that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024

Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

a. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012, as a result of the dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2024, follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Fiduciary Funds:					
2017 Tax Allocation					
Refunding Bonds	\$ 2,035,900	\$ -	\$ 133,500	\$ 1,902,400	\$ 138,200

2017 Tax Allocation Refunding Bonds

On November 10, 2017, the Agency issued the 2017 Tax Allocation Bonds to be used for the purpose of providing funds to the Successor Agency to refund, on a current basis, the Solana Beach Redevelopment Agency, Solana Beach Redevelopment Project, Tax Allocation Bonds, Series and pay the costs of issuing the Bonds. These bonds have an 18-year maturity with the final maturity paid on December 1, 2035 and interest rate of 3.360% Interest on the bonds is payable semi-annually on June 1 and December 1, concluding on December 1, 2035.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 138,200	\$ 62,778	\$ 200,978
2026	142,700	58,098	200,798
2027	147,700	53,263	200,963
2028	152,500	48,260	200,760
2029	157,800	43,092	200,892
2030 - 2034	872,900	131,557	1,004,457
2035 - 2036	290,600	9,820	300,420
Total	\$ 1,902,400	\$ 406,868	\$ 2,309,268

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$2,309,268 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City for the payment of indebtedness incurred by the dissolved redevelopment agency was \$267,466 and the debt service obligation on the bonds was \$200,802.

Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

b. Insurance

The Successor Agency is covered under the City of Solana Beach's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 8.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,180,254	\$ 23,180,254	\$ 23,180,254	\$ -
Resources (Inflows):				
Taxes:				
Property	10,373,200	10,573,200	10,948,079	374,879
Transient occupancy	1,900,360	2,100,360	2,218,237	117,877
Sales	8,800,000	9,200,000	9,470,357	270,357
Franchise and other	3,603,750	3,603,750	3,930,046	326,296
Licenses and permits	614,750	814,750	815,647	897
Intergovernmental	99,850	201,922	240,330	38,408
Charges for services	829,000	879,000	852,040	(26,960)
Use of money and property	461,975	461,975	1,825,425	1,363,450
Fines and forfeitures	320,200	320,200	528,722	208,522
Other revenues	3,455,803	4,733,732	4,912,594	178,862
Amounts Available for Appropriations	53,639,142	56,069,143	58,921,731	2,852,588
Charges to Appropriations (Outflows):				
General Government:				
City Council	351,315	367,815	363,957	3,858
City Clerk	623,687	706,687	648,491	58,196
Legal Services	533,475	533,475	424,834	108,641
City Manager	672,917	683,517	585,127	98,390
Finance	1,261,032	2,528,108	2,462,773	65,335
Personnel	660,665	598,665	508,336	90,329
Information Systems	723,344	740,573	678,044	62,529
Support Services	1,711,815	2,098,313	1,637,828	460,485
Total General Government	6,538,250	8,257,153	7,309,390	947,763
Public Safety:				
Marine safety	1,219,465	1,323,375	1,323,309	66
Law enforcement	4,819,738	4,819,738	4,816,255	3,483
Code & parking enforcement	309,447	309,447	289,305	20,142
Fire department	5,957,612	5,924,226	5,858,506	65,720
Animal regulation	94,000	94,000	93,236	764
Civil defense	154,591	154,591	154,118	473
Total Public Safety	12,554,853	12,625,377	12,534,729	90,648
Public Works:				
Street and other	2,663,505	2,645,574	2,365,220	280,354
Engineering	626,452	727,357	584,991	142,366
Public Facilities	101,500	122,526	122,438	88
Total Public Works	3,391,457	3,495,457	3,072,649	422,808
Community Development:				
Planning	1,113,292	1,077,182	910,372	166,810
Building services	536,794	670,044	612,608	57,436
Total Community Development	1,650,086	1,747,226	1,522,980	224,246
Community Services:				
Community services	182,902	196,502	186,292	10,210
Recreation programs	684,022	699,472	682,390	17,082
Total Community Services	866,924	895,974	868,682	27,292
Capital Outlay	1,328,800	1,734,735	1,178,321	556,414
Interest Expense	35,196	35,196	35,196	-
Total Charges to Appropriations	26,365,566	28,791,118	26,521,947	2,269,171
Other Financing Sources (Uses):				
Transfers in	1,367,130	1,733,400	-	(1,733,400)
Transfers out	(1,713,400)	(5,783,400)	(4,050,000)	(1,733,400)
Total Other Financing Sources (Uses)	(346,270)	(4,050,000)	(4,050,000)	(3,466,800)
Budgetary Fund Balance, June 30	\$ 26,927,306	\$ 23,228,025	\$ 28,349,784	\$ 1,654,959

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MISCELLANEOUS EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024**

Measurement Date	2023	2022	2021	2020	2019
City of Solana Beach's Proportion of the Net Pension Liability	0.15726%	0.15566%	0.06644%	0.05654%	0.05532%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 7,863,579	\$ 7,283,498	\$ 3,593,385	\$ 6,151,557	\$ 5,668,839
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 4,807,042	\$ 3,483,076	\$ 3,353,666	\$ 3,312,829	\$ 3,058,602
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	163.58%	209.11%	107.15%	185.69%	185.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.59%	73.14%	88.29%	75.10%	75.26%
Measurement Date	2018	2017	2016	2015	2014
City of Solana Beach's Proportion of the Net Pension Liability	0.05550%	0.05313%	0.05241%	0.05706%	0.04245%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 5,177,151	\$ 5,268,836	\$ 4,534,940	\$ 3,550,604	\$ 2,651,591
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 2,879,582	\$ 2,721,499	\$ 2,593,359	\$ 2,409,776	\$ 2,517,165
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	179.79%	193.60%	174.87%	147.34%	105.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	72.59%	75.87%	79.82%	78.40%

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
MISCELLANEOUS EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024**

Fiscal Year	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 940,970	\$ 886,210	\$ 768,847	\$ 685,457	\$ 636,152
Contribution in Relation to the Actuarially Determined Contribution	<u>940,970</u>	<u>886,210</u>	<u>768,847</u>	<u>685,457</u>	<u>636,152</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 5,470,650	\$ 4,807,042	\$ 3,483,076	\$ 3,353,666	\$ 3,312,829
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	17.20%	18.44%	22.07%	20.44%	19.20%
Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 541,582	\$ 460,816	\$ 417,318	\$ 385,634	\$ 330,415
Contribution in Relation to the Actuarially Determined Contribution	<u>541,582</u>	<u>460,816</u>	<u>417,318</u>	<u>385,634</u>	<u>330,415</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 3,058,602	\$ 2,879,582	\$ 2,721,499	\$ 2,593,359	\$ 2,409,776
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	17.71%	16.00%	15.33%	14.87%	

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SAFETY EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024**

Measurement Date	2023	2022	2021	2020	2019
City of Solana Beach's Proportion of the Net Pension Liability	0.17562%	0.17683%	0.12686%	0.09655%	0.09380%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 13,127,102	\$ 12,151,239	\$ 6,861,102	\$ 10,505,198	\$ 9,611,934
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 3,640,252	\$ 2,258,877	\$ 2,138,322	\$ 2,389,544	\$ 2,270,208
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	360.61%	537.93%	320.86%	439.63%	423.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.70%	69.25%	88.29%	75.10%	75.26%
Measurement Date	2018	2017	2016	2015	2014
City of Solana Beach's Proportion of the Net Pension Liability	0.09361%	0.08816%	0.08774%	0.09490%	0.07208%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 8,884,523	\$ 8,742,997	\$ 7,592,101	\$ 5,905,301	\$ 4,940,589
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065	\$ 1,997,991	\$ 1,925,616
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	395.02%	413.34%	358.78%	295.56%	256.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	72.59%	75.87%	79.82%	78.40%

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
SAFETY EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024**

Fiscal Year	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 1,366,543	\$ 1,309,122	\$ 1,169,287	\$ 1,045,632	\$ 988,753
Contribution in Relation to the Actuarially Determined Contribution	<u>1,366,543</u>	<u>1,309,122</u>	<u>1,169,287</u>	<u>1,045,632</u>	<u>988,753</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 3,888,044	\$ 3,640,252	\$ 2,258,877	\$ 2,138,322	\$ 2,389,544
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.15%	35.96%	51.76%	48.90%	41.38%
Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 838,065	\$ 717,659	\$ 673,212	\$ 619,022	\$ 519,933
Contribution in Relation to the Actuarially Determined Contribution	<u>838,065</u>	<u>717,659</u>	<u>673,212</u>	<u>619,022</u>	<u>519,933</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 2,270,208	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065	\$ 1,997,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.92%	31.91%	31.83%	29.25%	26.02%

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTHCARE PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY								
Service cost	\$ 119,498	\$ 116,300	\$ 118,609	\$ 115,154	\$ 140,334	\$ 218,793	\$ 231,577	\$ 225,000
Interest	201,827	198,346	214,173	210,592	231,171	187,559	172,035	164,000
Actual vs. expected experience	(198,698)	-	(43,558)	-	(42,558)	-	-	-
Assumption changes	(134,658)	-	11,837	-	(384,986)	(1,145,939)	(242,883)	-
Benefit payments	(248,605)	(260,465)	(263,592)	(275,453)	(248,040)	(230,041)	(219,042)	(147,532)
Net Changes	(260,636)	54,181	37,469	50,293	(304,079)	(969,628)	(58,313)	241,468
Total OPEB Liability - Beginning	3,674,391	3,620,210	3,582,741	3,532,448	3,836,527	4,806,155	4,864,468	4,623,000
Total OPEB Liability - Ending (a)	\$ 3,413,755	\$ 3,674,391	\$ 3,620,210	\$ 3,582,741	\$ 3,532,448	\$ 3,836,527	\$ 4,806,155	\$ 4,864,468
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 369,427	\$ 398,228	\$ 402,299	\$ 480,132	\$ 446,751	\$ 484,191	\$ 307,582	\$ 233,000
Net investment income	160,626	95,935	(189,608)	210,366	20,418	27,769	23,652	17,000
Benefit payments	(248,605)	(260,465)	(263,592)	(275,453)	(248,040)	(227,210)	(219,042)	(148,000)
Administrative expenses	(5,411)	(4,005)	(3,959)	(3,382)	(4,056)	(2,496)	(2,062)	-
Other changes	-	-	-	(1,390)	-	-	-	151
Net Changes	276,037	229,693	(54,860)	410,273	215,073	282,254	110,130	102,151
Plan Fiduciary Net Position - Beginning	1,433,714	1,204,021	1,258,881	848,608	633,535	351,281	241,151	139,000
Plan Fiduciary Net Position - Ending (b)	\$ 1,709,751	\$ 1,433,714	\$ 1,204,021	\$ 1,258,881	\$ 848,608	\$ 633,535	\$ 351,281	\$ 241,151
PLAN NET OPEB LIABILITY - ENDING (a) - (b)	\$ 1,704,004	\$ 2,240,677	\$ 2,416,189	\$ 2,323,860	\$ 2,683,840	\$ 3,202,992	\$ 4,454,874	\$ 4,623,317
Retiree Healthcare Plan Fiduciary Net Position as a Percentage of the Plan Total OPEB Liability	50.08%	39.02%	33.26%	35.14%	24.02%	16.51%	7.31%	4.96%
City of Solana Beach's Retiree Healthcare Plan Covered-Employee Payroll	\$ 8,681,872	\$ 7,935,037	\$ 7,935,037	\$ 7,671,497	\$ 7,533,033	\$ 7,506,736	\$ 7,050,741	\$ 6,666,082
City of Solana Beach's Net Retiree Healthcare Plan OPEB Liability as a Percentage of Retiree Healthcare Plan Covered-Employee Payroll	19.63%	28.24%	30.45%	30.29%	35.63%	42.67%	63.18%	69.36%

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREE HEALTHCARE PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Retiree Healthcare Plan Actuarially Determined Contribution	\$ 317,950	\$ 321,907	\$ 318,390	\$ 389,000	\$ 378,000
Retiree Healthcare Plan Contributions in Relation to the Actuarially Determined Contribution	<u>369,427</u>	<u>398,228</u>	<u>402,299</u>	<u>480,132</u>	<u>446,751</u>
Contribution Excess (Deficiency)	<u>\$ 51,477</u>	<u>\$ 76,321</u>	<u>\$ 83,909</u>	<u>\$ 91,132</u>	<u>\$ 68,751</u>
Retiree Healthcare Plan Covered-Employee Payroll	\$ 8,681,872	\$ 7,935,037	\$ 7,671,497	\$ 7,533,033	\$ 7,506,736
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.26%	5.02%	5.24%	6.37%	5.95%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 484,191	\$ 220,491	\$ 531,000
Contribution in Relation to the Actuarially Determined Contribution	<u>484,191</u>	<u>252,055</u>	<u>233,000</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ 31,564</u>	<u>\$ (298,000)</u>
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 7,050,741	\$ 6,666,082	\$ 6,406,137
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.87%	3.78%	3.64%

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

Note 1: Budgetary Information

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. From the effective date of the budget adoption, the amounts budgeted become the “annual appropriated budget.” The annual appropriated budget is adopted for the General Fund, special revenue funds, capital projects funds and debt service funds.

The City Council may amend the budget by motion during the fiscal year. The appropriations constitute the budget for the 2023-2024 fiscal year and the City Manager is authorized to transfer monies between accounts within a department, provided that the total budget for the department is not exceeded. Transfer of monies from one department of the City to another, or from one fund to another, shall be approved by the City Council. However, any revisions that alter total expenditures of any fund must be approved by the City Council.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year. Selected appropriations are carried over. Project-length financial plans are adopted for the City capital projects. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

Note 2: Miscellaneous and Safety Employees’ Pension Plans

1. Benefit Changes:

- a. There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs.
- b. In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool's differences between expected and actual experience.

2. Changes of Assumptions:

- a. There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2024

Note 2: Miscellaneous and Safety Employees' Pension Plans (Continued)

3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Valuation Date: June 30, 2021
 - b. Actuarial Cost Method: Entry Age Normal Cost Method
 - c. Amortization Method: Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
 - d. Asset Valuation Method: Market value of assets
 - e. Inflation: 2.30%
 - f. Salary Increases: Varies by category, entry age and duration of service.
 - g. Discount Rate: 6.80% (net of administrative expenses)
 - h. Payroll Growth: 2.80%

Note 3: Retiree Healthcare Plan Other Post-Employment Benefits Plan

1. The schedules are intended to show information for ten years. Historical information is required only for years for which GASB Statement Nos. 74 and 75 are applicable; fiscal year 2016-17 was the first year of implementation. Additional years will be displayed as they become available.
2. There were no changes of benefit terms.
3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Actuarial Valuation Date: June 30, 2023
 - b. Contribution Policy: City contributes full ADC
 - c. Discount Rate and Long-Term Expected Rate of Return on Assets: 5.50% at June 30, 2024; 5.50% at June 30, 2023; Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
 - d. General Inflation: 2.50% annually
 - e. Mortality, Retirement, Disability, Termination: CalPERS 2000-2019 Experience Study
 - f. Mortality improvement: Mortality projected fully generational with Scale MP-2021
 - g. The schedules are intended to show information for ten years. Historical information is required only for years for which GASB Statement Nos. 74 and 75 are applicable; fiscal year 2016-17 was the first year of implementation. Additional years will be displayed as they become available.
 - h. Salary Increases: Aggregate -2.75% annually; Merit – CalPERS 2000-2019 Experience Study
 - i. Medical Trend: Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Non-Kaiser)– 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Kaiser) – 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076.
 - j. PEMHCA Minimum Increases: 3.50% annually
 - k. Cap Increases: No increases on \$325 and \$290 benefit
 - l. Healthcare Participation for Future Retirees: Actives & Surviving Spouses Hired < 1/1/07: Covered – 90%; Waived – 70%. Actives & Surviving Spouses Hired > 1/1/07: Covered – 60%; Waived – 50%. Retirees & Surviving Spouses: Covered 100%; Waived < 65 – 20% at 65; Waived > 65 – 0%
 - m. Changes of Assumptions:
 - i. The implicit subsidy was removed for PEMHCA minimum retirees after Medicare eligibility

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2024

Note 3: Retiree Healthcare Plan Other Post-Employment Benefits Plan (Continued)

- ii. CalPERS 2000-2019 Experience Study was used for demographic assumptions and merit salary increases
- iii. Mortality improvement scale was updated to Scale MP-2021
- iv. Updated medical trend rates
- v. PEMHCA minimum trend rate updated from 3.75% to 3.50%
- vi. Waived retiree re-election updated to 0% at age 65
- n. Changes of benefit terms: None

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SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Gas Tax Fund - accounts for revenues received and expenditures made for street-related activities. Revenues are received from the State of California for the City's share of gasoline taxes pursuant to California Streets and Highways Code Sections 2105, 2106, 2107, and 2107.5.

TransNet Fund – accounts for revenues received and expenditures related to transportation development, transit, and related studies. Funding is provided to the City as a secondary recipient under an agreement with the County of San Diego and with San Diego Associations of Governments.

Municipal Improvement Districts Fund - accounts for receipts and expenditures related to landscape maintenance within the various improvement districts. The assessments are collected via the County tax roll.

Lighting District Fund - accounts for the revenues received and expenditures related to streetlights on the City's streets. The City determines the yearly budget, and property owners are charged their proportionate share on a per-unit basis. The assessments are collected via the County tax roll.

COPS Fund - accounts for federal and state grants received for police services.

Public Safety Fund - accounts for federal and state grants received for public safety.

Fire Mitigation Fund - accounts for fire mitigation fees collected during new structural development based on construction type and size. The fees are restricted to equipment purchases only.

CDBG Fund - accounts for the revenues and expenditures of the Community Development Block Grant program.

Coastal Area Business/Visitor Assistance and Enhancement Fund - accounts for expenditures that include local visitor and business promotion such as assistance to the Chamber of Commerce and North County Convention and Visitor's Bureau, special events such as the Fiesta Del Sol, public art, and visitor enhancements to the Highway 101 business corridor or the Cedros Design District.

Boating and Waterways Fund - accounts for grants received from the Department of Boating and Waterways. These funds are being used to fund the US Army Corps of Engineers beach replenishment study.

Miscellaneous Grants Fund - accounts for grants received to fund various ongoing capital projects.

Developer Pass-Thru Fund - accounts for resources reserved to developer deposits.

Housing Fund - accounts for resources reserved to provide for low- and moderate-income housing.

Camp Programs Fund - accounts for camp programs in the City.

SB1 Streets & Roads Fund - accounts for revenues received and expenditures made for street-related activities. Revenues are received from the State of California for the City's share of SB1 taxes pursuant.

Assessment Districts CIP Fund - accounts for capital projects in the assessment districts.

Sand Replenishment Fund – accounts for sand replenishment, sand retention, and coastal improvement projects.

City Debt Service Fund - accounts for debt service in the City.

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>TransNet</u>	<u>Municipal Improvement Districts</u>
ASSETS			
Cash and investments	\$ 723,311	\$ 394,322	\$ 1,434,792
Receivables:			
Accounts	-	-	-
Interest	2,345	986	4,510
Intergovernmental	31,010	-	6,091
Inventories	-	-	-
Total Assets	<u>\$ 756,666</u>	<u>\$ 395,308</u>	<u>\$ 1,445,393</u>
LIABILITIES			
Accounts payable	\$ 7,152	\$ -	\$ 124,282
Accrued liabilities	-	-	880
Unearned revenues	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>7,152</u>	<u>-</u>	<u>125,162</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	749,514	395,308	1,320,231
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	<u>749,514</u>	<u>395,308</u>	<u>1,320,231</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 756,666</u>	<u>\$ 395,308</u>	<u>\$ 1,445,393</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

(continued)

	<u>Special Revenue Funds</u>		
	<u>Lighting District</u>	<u>COPS</u>	<u>Public Safety</u>
ASSETS			
Cash and investments	\$ 3,656,174	\$ 358,599	\$ 717,101
Receivables:			
Accounts	-	-	104,176
Interest	11,486	-	2,234
Intergovernmental	6,301	-	-
Inventories	-	-	-
Total Assets	<u>\$ 3,673,961</u>	<u>\$ 358,599</u>	<u>\$ 823,511</u>
LIABILITIES			
Accounts payable	\$ 11,888	\$ 24,056	\$ 9,962
Accrued liabilities	8,686	-	994
Unearned revenues	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>20,574</u>	<u>24,056</u>	<u>10,956</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	3,653,387	334,543	812,555
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	<u>3,653,387</u>	<u>334,543</u>	<u>812,555</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 3,673,961</u>	<u>\$ 358,599</u>	<u>\$ 823,511</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

(continued)

	<u>Special Revenue Funds</u>		
	<u>Fire Mitigation</u>	<u>CDBG</u>	<u>Coastal Area Business / Visitor Assistance & Enhancement</u>
ASSETS			
Cash and investments	\$ 63,111	\$ -	\$ 1,355,738
Receivables:			
Accounts	-	-	-
Interest	201	-	3,532
Intergovernmental	-	741	-
Inventories	-	-	-
Total Assets	<u>\$ 63,312</u>	<u>\$ 741</u>	<u>\$ 1,359,270</u>
LIABILITIES			
Accounts payable	\$ 2,107	\$ -	\$ 4,667
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Due to other funds	-	17,478	-
Total Liabilities	<u>2,107</u>	<u>17,478</u>	<u>4,667</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	61,205	-	1,354,603
Unassigned (Deficit)	-	(16,737)	-
Total Fund Balances (Deficit)	<u>61,205</u>	<u>(16,737)</u>	<u>1,354,603</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 63,312</u>	<u>\$ 741</u>	<u>\$ 1,359,270</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

(continued)

	<u>Special Revenue Funds</u>		
	<u>Boating & Waterways</u>	<u>Miscellaneous Grants</u>	<u>Developer Pass-Thru</u>
ASSETS			
Cash and investments	\$ 3,967	\$ 36,365	\$ 554,361
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Intergovernmental	-	200,658	-
Inventories	-	-	-
Total Assets	<u>\$ 3,967</u>	<u>\$ 237,023</u>	<u>\$ 554,361</u>
LIABILITIES			
Accounts payable	\$ -	\$ 409	\$ 10,353
Accrued liabilities	-	-	-
Unearned revenues	-	102,514	544,008
Due to other funds	-	-	-
Total Liabilities	<u>-</u>	<u>102,923</u>	<u>554,361</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	3,967	134,100	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	<u>3,967</u>	<u>134,100</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 3,967</u>	<u>\$ 237,023</u>	<u>\$ 554,361</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

(continued)

	<u>Special Revenue Funds</u>		
	<u>Housing</u>	<u>Camp Programs</u>	<u>SB 1 Streets & Roads</u>
ASSETS			
Cash and investments	\$ 1,457,020	\$ -	\$ 410,371
Receivables:			
Accounts	-	5,176	-
Interest	4,525	-	1,204
Intergovernmental	-	-	58,003
Inventories	-	44,707	-
Total Assets	<u>\$ 1,461,545</u>	<u>\$ 49,883</u>	<u>\$ 469,578</u>
LIABILITIES			
Accounts payable	\$ -	\$ 17,510	\$ -
Accrued liabilities	-	48,961	-
Unearned revenues	-	-	-
Due to other funds	-	33,289	-
Total Liabilities	<u>-</u>	<u>99,760</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	44,707	-
Restricted	1,461,545	-	469,578
Unassigned (Deficit)	-	(94,584)	-
Total Fund Balances (Deficit)	<u>1,461,545</u>	<u>(49,877)</u>	<u>469,578</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 1,461,545</u>	<u>\$ 49,883</u>	<u>\$ 469,578</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

(continued)

	Capital Project Funds		Debt Service Fund	
	Assessment Districts CIP	Sand Replenishment	City Debt Service	Total
ASSETS				
Cash and investments	\$ 103,473	\$ 1,405,249	\$ 61,073	\$ 12,735,027
Receivables:				
Accounts	-	-	-	109,352
Interest	-	3,072	-	34,095
Intergovernmental	-	-	-	302,804
Inventories	-	-	-	44,707
Total Assets	<u>\$ 103,473</u>	<u>\$ 1,408,321</u>	<u>\$ 61,073</u>	<u>\$ 13,225,985</u>
LIABILITIES				
Accounts payable	\$ 3,063	\$ 19,805	\$ 35,187	\$ 270,441
Accrued liabilities	-	-	-	59,521
Unearned revenues	-	-	-	646,522
Due to other funds	-	-	-	50,767
Total Liabilities	<u>3,063</u>	<u>19,805</u>	<u>35,187</u>	<u>1,027,251</u>
FUND BALANCES				
Nonspendable	-	-	-	44,707
Restricted	100,410	1,388,516	25,886	12,265,348
Unassigned (Deficit)	-	-	-	(111,321)
Total Fund Balances (Deficit)	<u>100,410</u>	<u>1,388,516</u>	<u>25,886</u>	<u>12,198,734</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 103,473</u>	<u>\$ 1,408,321</u>	<u>\$ 61,073</u>	<u>\$ 13,225,985</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>TransNet</u>	<u>Municipal Improvement Districts</u>
REVENUES			
Taxes and assessments	\$ 360,508	\$ -	\$ 808,878
License and permits	-	-	-
Intergovernmental	-	640,105	2,575
Charges for services	-	-	-
Use of money and property	31,276	12,149	58,389
Other revenues	1,200	-	-
Total Revenues	<u>392,984</u>	<u>652,254</u>	<u>869,842</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	417	3,776	812,393
Community development	-	-	-
Community services	-	-	-
Capital outlay	315,727	315,000	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	325,105	-
Total Expenditures	<u>316,144</u>	<u>643,881</u>	<u>812,393</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>76,840</u>	<u>8,373</u>	<u>57,449</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>76,840</u>	<u>8,373</u>	<u>57,449</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>672,674</u>	<u>386,935</u>	<u>1,262,782</u>
Fund Balance - Ending	<u>\$ 749,514</u>	<u>\$ 395,308</u>	<u>\$ 1,320,231</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

(continued)

	<u>Special Revenue Funds</u>		
	<u>Lighting District</u>	<u>COPS</u>	<u>Public Safety</u>
REVENUES			
Taxes and assessments	\$ 772,833	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	3,051	186,159	260,369
Charges for services	-	-	-
Use of money and property	152,345	10,633	11,240
Other revenues	-	-	17,898
Total Revenues	<u>928,229</u>	<u>196,792</u>	<u>289,507</u>
EXPENDITURES			
Current:			
Public safety	-	208,364	188,151
Public works	723,908	-	-
Community development	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>723,908</u>	<u>208,364</u>	<u>188,151</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>204,321</u>	<u>(11,572)</u>	<u>101,356</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(70,375)	-	-
Total Other Financing Sources (Uses)	<u>(70,375)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>133,946</u>	<u>(11,572)</u>	<u>101,356</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>3,519,441</u>	<u>346,115</u>	<u>711,199</u>
Fund Balance - Ending	<u>\$ 3,653,387</u>	<u>\$ 334,543</u>	<u>\$ 812,555</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

(continued)

	<u>Special Revenue Funds</u>		
	<u>Fire Mitigation</u>	<u>CDBG</u>	<u>Coastal Area Business/Visitor Assistance & Enhancement</u>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 221,824
License and permits	-	-	-
Intergovernmental	-	741	-
Charges for services	22,101	-	-
Use of money and property	1,141	-	45,431
Other revenues	-	-	5,394
Total Revenues	<u>23,242</u>	<u>741</u>	<u>272,649</u>
EXPENDITURES			
Current:			
Public safety	26,908	741	-
Public works	-	-	-
Community development	-	-	77,707
Community services	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>26,908</u>	<u>741</u>	<u>77,707</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3,666)</u>	<u>-</u>	<u>194,942</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,666)</u>	<u>-</u>	<u>194,942</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>64,871</u>	<u>(16,737)</u>	<u>1,159,661</u>
Fund Balance - Ending	<u>\$ 61,205</u>	<u>\$ (16,737)</u>	<u>\$ 1,354,603</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

(continued)

	<u>Special Revenue Funds</u>		
	<u>Boating & Waterways</u>	<u>Miscellaneous Grants</u>	<u>Developer Pass-Thru</u>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	-	308,667	-
Charges for services	-	-	61,183
Use of money and property	-	45,804	-
Other revenues	-	-	-
Total Revenues	<u>-</u>	<u>354,471</u>	<u>61,183</u>
EXPENDITURES			
Current:			
Public safety	-	50,000	-
Public works	-	31,860	-
Community development	-	-	61,183
Community services	-	-	-
Capital outlay	-	226,807	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>-</u>	<u>308,667</u>	<u>61,183</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>45,804</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>45,804</u>	<u>-</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>3,967</u>	<u>88,296</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,967</u>	<u>\$ 134,100</u>	<u>\$ -</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

(continued)

	<u>Special Revenue Funds</u>		
	<u>Housing</u>	<u>Camp Programs</u>	<u>SB1 Streets & Roads</u>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 332,821
License and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	588,332	-
Use of money and property	61,316	-	15,989
Other revenues	6,188	-	-
Total Revenues	<u>67,504</u>	<u>588,332</u>	<u>348,810</u>
EXPENDITURES			
Current:			
Public safety	-	601,187	-
Public works	-	-	-
Community development	808	-	-
Community services	-	122,873	-
Capital outlay	-	-	400,205
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>808</u>	<u>724,060</u>	<u>400,205</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>66,696</u>	<u>(135,728)</u>	<u>(51,395)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>66,696</u>	<u>(135,728)</u>	<u>(51,395)</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>1,394,849</u>	<u>85,851</u>	<u>520,973</u>
Fund Balance - Ending	<u>\$ 1,461,545</u>	<u>\$ (49,877)</u>	<u>\$ 469,578</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

(continued)

	Capital Project Funds		Debt Service Fund	
	Assessment Districts CIP	Sand Replenishment	City Debt Service	Total
REVENUES				
Taxes and assessments	\$ -	\$ 443,648	\$ -	\$ 2,940,512
License and permits	-	-	-	-
Intergovernmental	-	-	-	1,401,667
Charges for services	-	-	-	671,616
Use of money and property	-	50,385	-	496,098
Other revenues	69,226	14,120	-	114,026
Total Revenues	69,226	508,153	-	5,623,919
EXPENDITURES				
Current:				
Public safety	-	-	-	1,075,351
Public works	33,703	-	-	1,606,057
Community development	-	-	-	139,698
Community services	-	-	-	122,873
Capital outlay	8,995	213,414	-	1,480,148
Debt service:				
Principal retirement	-	-	60,855	60,855
Interest and fiscal charges	-	-	9,519	334,624
Total Expenditures	42,698	213,414	70,374	4,819,606
Excess (Deficiency) of Revenue Over (Under) Expenditures	26,528	294,739	(70,374)	804,313
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	70,375	70,375
Transfers out	-	-	-	(70,375)
Total Other Financing Sources (Uses)	-	-	70,375	-
Net Change in Fund Balance	26,528	294,739	1	804,313
Fund Balances (Deficit):				
Fund Balance - Beginning	73,882	1,093,777	25,885	11,394,421
Fund Balance - Ending	\$ 100,410	\$ 1,388,516	\$ 25,886	\$ 12,198,734

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GAS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 672,674	\$ 672,674	\$ 672,674	\$ -
Resources (Inflows):				
Taxes and assessments	379,380	379,380	360,508	(18,872)
Use of money and property	2,100	2,100	31,276	29,176
Other revenues	-	-	1,200	1,200
Amounts Available for Appropriations	<u>1,054,154</u>	<u>1,054,154</u>	<u>1,065,658</u>	<u>11,504</u>
Charges to Appropriations (Outflows):				
Current:				
Public works	-	418	417	1
Capital outlay	314,255	605,611	315,727	289,884
Total Charges to Appropriations	<u>314,255</u>	<u>606,029</u>	<u>316,144</u>	<u>289,885</u>
Budgetary Fund Balance, June 30	<u>\$ 739,899</u>	<u>\$ 448,125</u>	<u>\$ 749,514</u>	<u>\$ 301,389</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
TRANSNET FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 386,935	\$ 386,935	\$ 386,935	\$ -
Resources (Inflows):				
Taxes:				
Service fees	50,000	50,000	-	(50,000)
Intergovernmental	558,530	558,530	640,105	81,575
Use of money and property	1,575	1,575	12,149	10,574
Amounts Available for Appropriations	997,040	997,040	1,039,189	42,149
Charges to Appropriations (Outflows):				
Current:				
Public works	-	40,350	3,776	36,574
Capital outlay	285,000	600,000	315,000	285,000
Debt service:				
Interest and fiscal charges	325,105	325,105	325,105	-
Total Charges to Appropriations	610,105	965,455	643,881	321,574
Budgetary Fund Balance, June 30	\$ 386,935	\$ 31,585	\$ 395,308	\$ 363,723

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MUNICIPAL IMPROVEMENT DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,262,782	\$ 1,262,782	\$ 1,262,782	\$ -
Resources (Inflows):				
Taxes and assessments	770,275	770,275	808,878	38,603
Intergovernmental	2,700	2,700	2,575	(125)
Use of money and property	15,278	15,278	58,389	43,111
Amounts Available for Appropriations	<u>2,051,035</u>	<u>2,051,035</u>	<u>2,132,624</u>	<u>81,589</u>
Charges to Appropriations (Outflows):				
Current:				
Public works	862,819	865,622	812,393	53,229
Total Charges to Appropriations	<u>862,819</u>	<u>865,622</u>	<u>812,393</u>	<u>53,229</u>
Budgetary Fund Balance, June 30	<u>\$ 1,188,216</u>	<u>\$ 1,185,413</u>	<u>\$ 1,320,231</u>	<u>\$ 134,818</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LIGHTING DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 3,519,441	\$ 3,519,441	\$ 3,519,441	\$ -
Resources (Inflows):				
Taxes and assessments	717,488	717,488	772,833	55,345
Intergovernmental	3,200	3,200	3,051	(149)
Use of money and property	42,525	42,525	152,345	109,820
Amounts Available for Appropriations	4,282,654	4,282,654	4,447,670	165,016
Charges to Appropriations (Outflows):				
Current:				
Public works	754,591	779,104	723,908	55,196
Transfers out	70,375	70,375	70,375	-
Total Charges to Appropriations	824,966	849,479	794,283	55,196
Budgetary Fund Balance, June 30	\$ 3,457,688	\$ 3,433,175	\$ 3,653,387	\$ 220,212

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 COPS FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 346,115	\$ 346,115	\$ 346,115	\$ -
Resources (Inflows):				
Intergovernmental	145,000	186,159	186,159	-
Use of money and property	3,150	3,150	10,633	7,483
Amounts Available for Appropriations	494,265	535,424	542,907	7,483
Charges to Appropriations (Outflows):				
Current:				
Public safety	145,000	208,365	208,364	1
Total Charges to Appropriations	145,000	208,365	208,364	1
Budgetary Fund Balance, June 30	\$ 349,265	\$ 327,059	\$ 334,543	\$ 7,484

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 711,199	\$ 711,199	\$ 711,199	\$ -
Resources (Inflows):				
Intergovernmental	220,000	230,000	260,369	30,369
Use of money and property	-	-	11,240	11,240
Other revenues	-	-	17,898	17,898
Amounts Available for Appropriations	<u>931,199</u>	<u>941,199</u>	<u>1,000,706</u>	<u>59,507</u>
Charges to Appropriations (Outflows):				
Current:				
Public safety	<u>220,000</u>	<u>231,542</u>	<u>188,151</u>	<u>43,391</u>
Total Charges to Appropriations	<u>220,000</u>	<u>231,542</u>	<u>188,151</u>	<u>43,391</u>
Budgetary Fund Balance, June 30	<u>\$ 711,199</u>	<u>\$ 709,657</u>	<u>\$ 812,555</u>	<u>\$ 102,898</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
FIRE MITIGATION FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 64,871	\$ 64,871	\$ 64,871	\$ -
Resources (Inflows):				
Charges for services	15,000	15,000	22,101	7,101
Use of money and property	-	-	1,141	1,141
Amounts Available for Appropriations	79,871	79,871	88,113	8,242
Charges to Appropriations (Outflows):				
Current:				
Public safety	15,000	26,910	26,908	2
Total Charges to Appropriations	15,000	26,910	26,908	2
Budgetary Fund Balance, June 30	\$ 64,871	\$ 52,961	\$ 61,205	\$ 8,244

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CDBG FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (16,737)	\$ (16,737)	\$ (16,737)	\$ -
Resources (Inflows):				
Intergovernmental	45,000	51,921	741	(51,180)
Amounts Available for Appropriations	28,263	35,184	(15,996)	(51,180)
Charges to Appropriations (Outflows):				
Current:				
Public safety	-	741	741	-
Capital outlay	45,000	51,180	-	51,180
Total Charges to Appropriations	45,000	51,921	741	51,180
Budgetary Fund Balance, June 30	\$ (16,737)	\$ (16,737)	\$ (16,737)	\$ -

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COASTAL AREA BUSINESS/VISITOR ASSISTANCE AND ENHANCEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,159,661	\$ 1,159,661	\$ 1,159,661	\$ -
Resources (Inflows):				
Taxes and assessments	190,036	190,036	221,824	31,788
Use of money and property	10,500	10,500	45,431	34,931
Other revenues	3,500	3,500	5,394	1,894
Amounts Available for Appropriations	<u>1,363,697</u>	<u>1,363,697</u>	<u>1,432,310</u>	<u>68,613</u>
Charges to Appropriations (Outflows):				
Current:				
Community development	89,925	97,975	77,707	20,268
Total Charges to Appropriations	<u>89,925</u>	<u>97,975</u>	<u>77,707</u>	<u>20,268</u>
Budgetary Fund Balance, June 30	<u>\$ 1,273,772</u>	<u>\$ 1,265,722</u>	<u>\$ 1,354,603</u>	<u>\$ 88,881</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 88,296	\$ 88,296	\$ 88,296	\$ -
Resources (Inflows):				
Intergovernmental	7,254,000	7,305,536	308,667	(6,996,869)
Use of money and property	-	-	45,804	45,804
Amounts Available for Appropriations	<u>7,342,296</u>	<u>7,393,832</u>	<u>442,767</u>	<u>(6,951,065)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	5,000	-	-	-
Public safety	13,000	50,000	50,000	-
Public works	236,000	34,229	31,860	2,369
Capital outlay	7,000,000	7,226,807	226,807	7,000,000
Total Charges to Appropriations	<u>7,254,000</u>	<u>7,311,036</u>	<u>308,667</u>	<u>7,002,369</u>
Budgetary Fund Balance, June 30	<u>\$ 88,296</u>	<u>\$ 82,796</u>	<u>\$ 134,100</u>	<u>\$ 51,304</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPER PASS-THRU FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	100,000	100,000	61,183	(38,817)
Amounts Available for Appropriations	100,000	100,000	61,183	(38,817)
Charges to Appropriations (Outflows):				
Current:				
Community development	100,000	109,095	61,183	47,912
Total Charges to Appropriations	100,000	109,095	61,183	47,912
Budgetary Fund Balance, June 30	\$ -	\$ (9,095)	\$ -	\$ 9,095

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,394,849	\$ 1,394,849	\$ 1,394,849	\$ -
Resources (Inflows):				
Use of money and property	6,300	6,300	61,316	55,016
Other revenues	-	-	6,188	6,188
Amounts Available for Appropriations	<u>1,401,149</u>	<u>1,401,149</u>	<u>1,462,353</u>	<u>61,204</u>
Charges to Appropriations (Outflows):				
Current:				
Community development	10,000	10,000	808	9,192
Total Charges to Appropriations	<u>10,000</u>	<u>10,000</u>	<u>808</u>	<u>9,192</u>
Budgetary Fund Balance, June 30	<u>\$ 1,391,149</u>	<u>\$ 1,391,149</u>	<u>\$ 1,461,545</u>	<u>\$ 70,396</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAMP PROGRAMS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 85,851	\$ 85,851	\$ 85,851	\$ -
Resources (Inflows):				
Charges for services	560,000	560,000	588,332	28,332
Amounts Available for Appropriations	645,851	645,851	674,183	28,332
Charges to Appropriations (Outflows):				
Current:				
Public safety	562,793	619,367	601,187	18,180
Community services	119,426	125,464	122,873	2,591
Total Charges to Appropriations	682,219	744,831	724,060	20,771
Budgetary Fund Balance, June 30	\$ (36,368)	\$ (98,980)	\$ (49,877)	\$ 49,103

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SB1 STREETS & ROADS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 520,973	\$ 520,973	\$ 520,973	\$ -
Resources (Inflows):				
Taxes and assessments	255,000	255,000	332,821	77,821
Use of money and property	-	-	15,989	15,989
Amounts Available for Appropriations	775,973	775,973	869,783	93,810
Charges to Appropriations (Outflows):				
Capital outlay	300,000	700,206	400,205	300,001
Total Charges to Appropriations	300,000	700,206	400,205	300,001
Budgetary Fund Balance, June 30	\$ 475,973	\$ 75,767	\$ 469,578	\$ 393,811

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 CITY CIP FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,690,731	\$ 6,690,731	\$ 6,690,731	\$ -
Resources (Inflows):				
Charges for services	250,000	250,000	7,662	(242,338)
Use of money and property	7,140	7,140	113,932	106,792
Other revenues	55,000	55,000	88,420	33,420
Transfers in	980,000	4,050,000	4,050,000	-
Amounts Available for Appropriations	7,982,871	11,052,871	10,950,745	(102,126)
Charges to Appropriations (Outflows):				
Current:				
Public works	-	20,211	20,196	15
Capital outlay	1,980,000	3,588,146	1,553,935	2,034,211
Total Charges to Appropriations	1,980,000	3,608,357	1,574,131	2,034,226
Budgetary Fund Balance, June 30	\$ 6,002,871	\$ 7,444,514	\$ 9,376,614	\$ 1,932,100

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SAND REPLENISHMENT
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,093,777	\$ 1,093,777	\$ 1,093,777	\$ -
Resources (Inflows):				
Taxes and assessments	380,072	380,072	443,648	63,576
Use of money and property	8,400	8,400	50,385	41,985
Other revenues	-	-	14,120	14,120
Amounts Available for Appropriations	<u>1,482,249</u>	<u>1,482,249</u>	<u>1,601,930</u>	<u>119,681</u>
Charges to Appropriations (Outflows):				
Capital outlay	<u>374,600</u>	<u>402,182</u>	<u>213,414</u>	<u>188,768</u>
Total Charges to Appropriations	<u>374,600</u>	<u>402,182</u>	<u>213,414</u>	<u>188,768</u>
Budgetary Fund Balance, June 30	<u>\$ 1,107,649</u>	<u>\$ 1,080,067</u>	<u>\$ 1,388,516</u>	<u>\$ 308,449</u>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CITY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 25,885	\$ 25,885	\$ 25,885	\$ -
Resources (Inflows):				
Transfers in	70,375	70,375	70,375	-
Amounts Available for Appropriations	96,260	96,260	96,260	-
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	60,855	60,855	60,855	-
Interest and fiscal charges	9,520	9,520	9,519	1
Total Charges to Appropriations	70,375	70,375	70,374	1
Budgetary Fund Balance, June 30	\$ 25,885	\$ 25,885	\$ 25,886	\$ 1

FIDUCIARY FUNDS

Undergrounding District Funds - the Barbara/Granados Avenue, Pacific Avenue/East and West Circle Drive, and Marsalan Avenue Utility Underground Assessment Districts are utility districts created to finance the undergrounding of utility lines. These funds account for payments from property owners as well as debt service on bonds that were issued to pay for the underground improvements within the assessment districts. This is accounted for as a custodial fund because the City has no responsibility for the debt service on the bonds.

South Solana Sewer District Fund - this fund was formed to finance the construction of sewer improvements to connect the 51 properties of the assessment district to the City's sewer system. This fund accounts for payments from property owners as well as debt service on the bonds that were issued to pay for the sewer improvements. This is accounted as a custodial fund because the City has no responsibility for the debt service on the bonds.

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2024

	<u>Undergrounding Districts</u>	<u>South Solana Sewer District</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 247,163	\$ 77,479	\$ 324,642
Investments:			
Money market mutual funds	368	50	418
Local Agency Investment Fund	58,452	-	58,452
Asset-backed securities	12,959	1,754	14,713
Federal agency securities	38,724	5,241	43,965
Medium term corporate notes	34,183	4,626	38,809
Supranational securities	3,317	449	3,766
US Treasury securities	81,100	10,974	92,074
Receivables:			
Due from other governments	792	18	810
Total Assets	<u>477,058</u>	<u>100,591</u>	<u>577,649</u>
LIABILITIES			
Accounts payable	-	1,664	1,664
Total Liabilities	<u>-</u>	<u>1,664</u>	<u>1,664</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	<u>477,058</u>	<u>98,927</u>	<u>575,985</u>
Total Net Position	<u>\$ 477,058</u>	<u>\$ 98,927</u>	<u>\$ 575,985</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Undergrounding Districts</u>	<u>South Solana Sewer District</u>	<u>Total</u>
ADDITIONS			
Investment earnings	\$ 10,491	\$ 1,458	\$ 11,949
Special assessment collections	182,102	37,944	220,046
Other revenues	-	33,703	33,703
Total Additions	<u>192,593</u>	<u>73,105</u>	<u>265,698</u>
DEDUCTIONS			
Contractual services	7,319	1,514	8,833
Principal	80,000	20,000	100,000
Interest expense	79,641	17,851	97,492
Total Deductions	<u>166,960</u>	<u>39,365</u>	<u>206,325</u>
Net Increase (Decrease) in Fiduciary Net Position	25,633	33,740	59,373
Net Position - Beginning	<u>451,425</u>	<u>65,187</u>	<u>516,612</u>
Net Position - Ending	<u>\$ 477,058</u>	<u>\$ 98,927</u>	<u>\$ 575,985</u>

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STATISTICAL SECTION

This part of the City of Solana Beach's annual comprehensive financial report presents detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information.

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Financial Trends	132
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	135
These schedules contain information to help the reader assess the government's most significant local revenue sources.	
Debt Capacity	140
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	144
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	147
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF SOLANA BEACH

Net Position by Component
Last Ten Fiscal Years (In thousands)
(Accrual Basis of Accounting)

	Fiscal Year, Ended June 30									
	2014	2015	2016	2017	2018	2020	2021	2022	2023	2024
Government activities										
Net Investment in Capital										
Assets	\$ 34,096	\$ 32,416	\$ 30,366	\$ 28,412	\$ 27,241	\$ 26,666	\$ 26,653	\$ 26,397	\$ 34,678	\$ 37,408
Restricted	5,184	4,980	5,826	6,620	9,139	12,665	14,174	17,971	21,964	27,018
Unrestricted	6,872	(86)	1,231	1,795	(2,320)	(1,488)	(1,346)	290	5,289	8,223
Total governmental activities net position	\$ 46,152	\$ 37,310	\$ 37,422	\$ 36,827	\$ 34,060	\$ 37,843	\$ 39,481	\$ 44,658	\$ 61,931	\$ 72,649
Business-type activities										
Net Investment in Capital										
Assets	\$ 6,325	\$ 6,799	\$ 5,594	\$ 6,195	\$ 5,929	\$ 12,053	\$ 11,186	\$ 11,656	\$ 11,548	\$ 11,538
Unrestricted	27,155	26,760	29,711	32,867	36,722	34,350	36,890	38,141	39,496	38,050
Total governmental activities net position	\$ 33,480	\$ 33,558	\$ 35,306	\$ 39,062	\$ 42,651	\$ 46,403	\$ 48,076	\$ 49,797	\$ 51,044	\$ 49,588
Primary government										
Net Investment in Capital										
Assets	\$ 40,421	\$ 39,214	\$ 35,960	\$ 34,607	\$ 33,170	\$ 38,719	\$ 37,839	\$ 38,053	\$ 46,225	\$ 48,947
Restricted	5,184	4,980	5,826	6,620	9,139	12,665	14,174	17,971	21,964	27,018
Unrestricted	34,027	26,674	30,942	34,662	34,402	32,862	35,544	38,431	44,785	46,272
Total governmental activities net position	\$ 79,632	\$ 70,868	\$ 72,728	\$ 75,890	\$ 76,711	\$ 84,246	\$ 87,557	\$ 94,454	\$ 112,975	\$ 122,237

CITY OF SOLANA BEACH

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General government	\$ 3,344	\$ 3,944	\$ 4,309	\$ 4,101	\$ 3,651	\$ 4,985	\$ 5,537	\$ 4,570	\$ 4,491	\$ 5,858
Public safety	8,441	9,162	9,628	10,540	11,051	12,630	13,117	13,906	11,414	13,129
Public works	5,181	5,438	5,487	5,944	5,937	4,888	4,666	5,412	5,377	5,643
Community development	1,281	1,378	1,745	1,755	1,482	1,586	1,507	1,505	1,261	1,519
Community services	623	628	1,122	731	1,178	1,220	1,193	1,218	919	976
Interest on long-term debt	388	398	389	382	368	363	356	346	385	369
Total Governmental Activities expenses	\$ 19,259	\$ 20,949	\$ 22,681	\$ 23,452	\$ 23,668	\$ 25,673	\$ 26,376	\$ 26,957	\$ 23,848	\$ 27,495
Business-Type Activities:										
Sanitation	\$ 4,566	\$ 3,569	\$ 1,602	\$ 2,100	\$ 4,205	\$ 4,221	\$ 3,891	\$ 4,308	\$ 5,020	\$ 7,887
Solana Energy Alliance Fund	-	-	-	391	5,211	4,350	3,841	(127)	19	2
Total Business-Type Activities Expenses	\$ 4,566	\$ 3,569	\$ 1,602	\$ 2,491	\$ 9,415	\$ 8,571	\$ 7,733	\$ 4,181	\$ 5,039	\$ 7,889
Total Primary Government Expenses	\$ 23,825	\$ 24,518	\$ 24,283	\$ 25,943	\$ 33,083	\$ 34,244	\$ 34,109	\$ 31,139	\$ 28,886	\$ 35,383
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ 194	\$ 0	\$ 92	\$ 31	\$ 1,126	\$ 1,175
Public safety	465	578	621	577	581	402	325	385	463	588
Public works	239	417	450	699	1,006	358	494	1,566	605	169
Community development	853	928	1,252	1,300	1,169	1,191	1,083	1,274	1,597	1,469
Community services	348	365	400	336	336	23	277	507	549	591
Operating Contributions:										
General government	-	-	-	-	-	-	-	(15)	-	-
Public safety	285	270	199	178	186	199	467	453	418	268
Public works	921	1,045	1,241	1,107	1,405	889	1,215	2,673	2,587	1,565
Community development	110	200	-	100	-	-	-	-	2	96
Community services	-	-	129	139	149	80	233	161	165	186
Capital Contributions and Grants:										
General government	-	-	-	-	-	-	-	(112)	-	-
Community development	-	-	-	-	-	-	-	-	8,466	167
Public safety	53	160	158	420	298	345	302	-	-	-
Total Governmental Activities Program Revenues	\$ 3,272	\$ 3,964	\$ 4,451	\$ 4,857	\$ 5,324	\$ 3,488	\$ 4,485	\$ 6,925	\$ 15,978	\$ 6,274
Business-Type Activities:										
Charges for services:										
Sanitation	\$ 4,949	\$ 5,152	\$ 5,255	\$ 5,416	\$ 5,592	\$ 5,588	\$ 5,676	\$ 5,817	\$ 5,847	\$ 5,737
Solana Energy Alliance Fund	-	-	-	494	5,202	4,178	3,567	1	1	-
Total Business-Type Activities Program Revenues	4,949	5,152	5,255	5,910	10,794	9,767	9,243	5,818	5,848	5,737
Total Primary Government Program Revenues	\$ 8,221	\$ 9,116	\$ 9,707	\$ 10,767	\$ 16,119	\$ 13,254	\$ 13,728	\$ 12,743	\$ 21,826	\$ 12,012
Net (Expense)/Revenue										
Governmental Activities	\$ (15,986)	\$ (16,985)	\$ (18,230)	\$ (18,596)	\$ (18,344)	\$ (22,185)	\$ (21,891)	\$ (20,032)	\$ (7,869)	\$ (21,220)
Business-Type Activities	383	1,583	3,653	3,419	1,379	1,195	1,511	1,637	809	(2,151)
Total primary Government Net Expense	\$ (15,604)	\$ (15,402)	\$ (14,577)	\$ (15,176)	\$ (16,965)	\$ (20,990)	\$ (20,380)	\$ (18,396)	\$ (7,061)	\$ (23,372)
General Revenues and Other Charges in Net Position										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 7,247	\$ 7,706	\$ 8,095	\$ 8,587	\$ 9,070	\$ 9,465	\$ 10,094	\$ 10,523	\$ 11,639	\$ 12,353
Transient occupancy taxes	1,467	1,606	1,740	1,828	2,019	1,457	1,457	2,575	2,904	2,884
Sales taxes	2,808	3,255	3,128	3,191	3,503	3,292	3,690	4,413	5,846	9,470
Franchise taxes	766	736	733	723	793	751	789	874	897	857
Motor Vehicle in Lieu - Unrestricted	2,747	2,798	2,869	3,170	3,547	3,620	3,746	3,880	2,053	2,194
Use of money and property	137	261	284	287	1,101	1,133	632	(400)	783	2,435
Other	915	736	786	722	976	3,586	3,121	3,343	1,019	1,745
Total Governmental Activities	\$ 16,087	\$ 17,097	\$ 17,635	\$ 18,509	\$ 21,008	\$ 23,304	\$ 23,529	\$ 25,209	\$ 25,142	\$ 31,938
Business-Type Activities:										
Use of money and property	\$ 72	\$ 115	\$ 89	\$ 82	\$ 557	\$ 423	\$ 125	\$ 35	\$ 150	\$ 561
Other	29	49	14	88	16	181	37	49	289	135
Total Business-Type Activities	101	164	103	170	573	604	162	84	438	696
Total Primary Government	\$ 16,188	\$ 17,262	\$ 17,738	\$ 18,678	\$ 21,581	\$ 23,908	\$ 23,691	\$ 25,293	\$ 25,581	\$ 32,634
Changes in Net Position										
Governmental Activities	\$ 101	\$ 112	\$ (595)	\$ (87)	\$ 2,664	\$ 1,119	\$ 1,638	\$ 5,177	\$ 17,273	\$ 10,718
Business-Type Activities	484	1,747	3,757	3,589	1,952	1,799	1,673	1,721	1,247	(1,456)
Total Primary Government	\$ 585	\$ 1,860	\$ 3,162	\$ 3,502	\$ 4,616	\$ 2,918	\$ 3,311	\$ 6,898	\$ 18,520	\$ 9,262

CITY OF SOLANA BEACH

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 9,382	\$ 7,471	\$ 20,164	\$ 72,579	\$ 23,402	\$ 52,665	\$ 54,212	\$ 136,395	\$ 41,589	\$ 41,024
Restricted	-	508,897	893,185	1,294,957	1,743,908	2,422,056	3,245,475	3,218,592	5,003,450	6,764,356
Committed	454,048	787,790	914,846	1,015,354	1,436,307	1,179,507	901,576	1,295,357	1,292,880	1,292,880
Assigned	5,324,048	5,520,890	5,690,381	5,805,890	6,041,593	6,349,702	6,206,689	6,241,345	6,786,980	6,786,980
Unassigned	5,580,686	6,200,244	6,805,201	7,385,736	4,588,069	5,450,148	7,138,002	9,289,801	10,055,355	13,464,544
Total General Fund	\$ 11,368,164	\$ 13,025,292	\$ 14,323,777	\$ 15,574,516	\$ 13,833,279	\$ 15,454,078	\$ 17,545,954	\$ 20,181,490	\$ 23,180,254	\$ 28,349,784
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 47,545	\$ 47,545	\$ 44,707
Restricted	4,979,850	5,316,698	5,726,668	7,844,224	9,494,837	10,242,525	10,928,273	14,752,364	16,960,567	21,641,962
Assigned	589,120	849,917	1,385,099	-	-	-	-	-	-	-
Unassigned	(213,005)	(184,544)	(336,475)	(234,689)	(112,596)	(58,138)	(464,267)	(227,092)	1,077,040	(111,321)
Total all other Governmental Funds	\$ 5,355,965	\$ 5,982,071	\$ 6,775,292	\$ 7,609,735	\$ 9,382,241	\$ 10,184,387	\$ 10,464,006	\$ 14,572,817	\$ 18,085,152	\$ 21,575,348

CITY OF SOLANA BEACH

Changes In Fund Balances Of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes and assessments	\$ 13,727,132	\$ 14,719,229	\$ 15,109,053	\$ 15,945,223	\$ 17,275,214	\$ 16,842,473	\$ 19,775,654	\$ 22,265,851	\$ 24,943,501	\$ 29,507,231
Intergovernmental	2,674,057	3,069,673	3,185,272	3,498,266	3,665,899	3,284,923	1,916,664	3,322,539	11,286,855	1,641,997
Licenses and permits	461,687	471,581	527,146	508,549	486,891	345,168	532,496	773,593	1,089,274	815,647
Charges for services	1,001,943	1,313,658	1,699,140	1,584,561	2,230,614	1,268,823	1,449,714	2,754,210	1,802,138	1,531,318
Fines and forfeitures	392,683	502,921	495,885	479,933	502,249	359,703	244,331	261,932	408,220	528,722
Use of money and property	136,763	261,466	283,828	286,867	1,100,795	1,132,930	631,813	(399,689)	783,458	2,435,455
Other	961,755	735,521	785,872	1,061,983	975,510	3,585,904	3,121,247	3,348,906	4,102,253	5,115,040
Total revenues	19,356,020	21,074,049	22,086,196	23,365,382	26,237,172	26,819,924	27,671,919	32,327,342	44,415,699	41,575,410
Expenditures:										
General government	3,222,933	3,500,443	3,777,819	3,820,029	4,191,376	4,705,339	5,032,268	5,598,530	7,061,076	7,309,390
Public safety	8,315,766	8,912,742	9,070,746	9,831,070	10,243,546	11,573,438	12,538,907	12,043,209	12,708,776	13,610,080
Public works	2,322,090	2,463,442	2,509,194	2,628,777	2,975,518	3,401,680	3,125,907	3,792,133	4,324,397	4,698,902
Community development	1,291,073	1,380,934	1,721,715	1,574,333	1,523,428	1,544,402	1,446,878	1,347,528	1,625,027	1,662,678
Community services	275,790	278,481	760,475	328,755	830,315	797,410	680,982	825,180	843,668	991,555
Capital outlay	1,773,690	2,190,316	1,473,835	2,417,383	5,763,230	1,692,966	1,800,676	1,430,880	10,752,411	4,212,404
Debt Service:										
Principal retirement	155,930	161,086	288,487	296,366	303,971	316,505	319,071	199,531	203,808	60,855
Interest	388,523	383,130	392,219	383,487	374,519	365,239	355,735	346,004	385,436	369,820
Total expenses	17,745,795	19,270,574	19,994,490	21,280,200	26,205,903	24,396,979	25,300,424	25,582,995	37,904,599	32,915,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,610,225	1,803,475	2,091,706	2,085,182	31,269	2,422,945	2,371,495	6,744,347	6,511,100	8,659,726
Other financing sources (uses):										
Transfers in	446,865	743,400	1,576,800	997,300	2,636,370	799,915	353,500	2,992,483	5,093,101	4,120,375
Transfers out	(446,865)	(743,400)	(1,576,800)	(997,300)	(2,636,370)	(799,915)	(353,500)	(2,992,483)	(5,093,101)	(4,120,375)
Contributions to OPEB Trust Fund	-	(135,000)	-	-	-	-	-	-	-	-
Long-term debt issued	-	614,759	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	479,759	-	-	-	-	-	-	-	-
Net change in fund balances/ net position	\$ 1,610,225	\$ 2,283,234	\$ 2,091,706	\$ 2,085,182	\$ 31,269	\$ 2,422,945	\$ 2,371,495	\$ 6,744,347	\$ 6,511,100	\$ 8,659,726
Capital assets used in debt service calculation*	\$ 1,764,750	\$ 2,194,361	\$ 1,440,550	\$ 2,432,556	\$ 5,754,228	\$ 1,697,994	\$ 1,723,018	\$ 1,537,279	\$ 10,105,863	\$ 2,882,183
Debt service as a percentage of noncapital expenditures	3.4%	3.2%	3.7%	3.6%	3.3%	3.0%	2.9%	2.3%	2.1%	1.4%

* The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is the same as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures and changes in fund balance.

CITY OF SOLANA BEACH

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Year	Residential Property	Commercial Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
2015	\$ 3,369,557	\$ 468,396	\$ 141,424	\$ 3,979,377	0.1779%	N/A	N/A
2016	3,568,242	487,490	145,778	4,201,511	0.1778%	N/A	N/A
2017	3,771,217	501,508	156,383	4,429,108	0.1779%	N/A	N/A
2018	4,001,491	564,824	158,421	4,724,736	0.1778%	N/A	N/A
2019	4,270,745	594,932	172,181	5,037,858	0.1778%	N/A	N/A
2020	4,502,927	618,256	166,573	5,287,755	0.1780%	N/A	N/A
2021	4,738,936	632,197	175,989	5,547,122	0.1780%	N/A	N/A
2022	4,929,359	642,174	(24,412)	5,547,122	0.1781%	N/A	N/A
2023	5,334,233	657,405	238,875	6,230,513	0.1780%	N/A	N/A
2024	5,643,413	751,584	256,761	6,651,758	0.1781%	N/A	N/A

(a) The County of San Diego does not compile Estimated Actual Valuations

N/A - Data not available

Source: San Diego County Assessor 2014/15 - 2023/24 Combined Tax Rolls
HdL Coren & Cone.
City of Solana Beach Finance Department

CITY OF SOLANA BEACH

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of taxable value)

City's Share of 1% Levy Per Prop 13

Fiscal Year	General			
	Basic Tax Levy	Municipal Improvement District	Lighting District	Total City's Share of 1% Levy per Prop 13
2015	0.1602	0.0037	0.09600	0.1735
2016	0.1602	0.0037	0.09600	0.1735
2017	0.1602	0.0037	0.09600	0.1735
2018	0.1602	0.0037	0.00955	0.1735
2019	0.1602	0.0037	0.00955	0.1735
2020	0.1602	0.0037	0.00955	0.1735
2021	0.1602	0.0037	0.00955	0.1735
2022	0.1602	0.0037	0.00955	0.1735
2023	0.1602	0.0037	0.00955	0.1735
2024	0.1602	0.0037	0.00955	0.1735

Overlapping Rates

Overlapping Rates

Fiscal Year	San Diego County (1)	Overlapping Rates					Voter Approved (3)					Total Direct & Overlapping Tax Rate
		Carlsbad/Oceanside/Vista Projects	School Districts	Community College	Santa Fe Irrigation District (2)	Educational Revenue Augmentation	Solana Beach School District Prop JJ Debt Service	Metropolitan Water District Debt Service	Santa Fe Irrigation Tax Rate Reduction	Mira Costa Comm College 2016A	San Dieguito Prop Aa 11/6/2013 2013A A1	
2015	0.167550	0.0004	0.40281	0.10486	0.025340	0.12551	-	0.0035	-	-	0.0215	1.02497
2016	0.167550	0.0004	0.40281	0.10486	0.025340	0.12551	-	0.0035	-	-	0.0227	1.02622
2017	0.167550	0.0004	0.40281	0.10486	0.025340	0.12551	-	0.0035	-	-	0.0228	1.02625
2018	0.167490	0.0004	0.40285	0.10490	0.025330	0.12550	0.03093	0.0035	-	0.01443	0.0223	1.07115
2019	0.167490	0.0004	0.40293	0.10490	0.025330	0.12550	0.02886	0.0035	-	0.01294	0.0230	1.06828
2020	0.167490	0.0004	0.40293	0.10490	0.025330	0.12550	0.02800	0.0035	-	0.01299	0.0232	1.06767
2021	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02688	0.0035	-	0.01373	0.0233	1.06738
2022	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02653	0.0035	-	0.01339	0.0223	1.06575
2023	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02506	0.0035	-	0.01357	0.0214	1.06356
2024	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02346	0.0035	-	0.01164	0.0208	1.05938

(1) Includes County School Services, Library, Childrens Institution Tuition, and Regional Occupational Centers.

(2) Includes CWA, Santa Fe Irrigation District (.00423) and Santa Fe Irrigation (.02111)

(3) Includes only rate(s) from indebtedness adopted prior to 1989 per California State Statute

Source: San Diego County Assessor 2023/24 Annual Tax Increment Tables and HdL Coren and Cone.

CITY OF SOLANA BEACH

**Principal Property Tax Payers
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<u>For the Fiscal Year Ended June 30, 2024</u>		
S B T C Holdings LLC	\$ 108,720,695	1.63%
Pacific Solana Beach Holdings LP (Pending Appeals on Parcels)	75,791,521	1.14%
SB Corporate Centre III-IV LLC	63,052,308	0.95%
Solana Beach Self Storage Owner LP	49,470,000	0.74%
Zephyr Solana LLC	46,998,282	0.71%
G R E Beachwalk LLC (Pending Appeals on Parcels)	37,091,006	0.56%
Sanyo Foods Corporation of America	35,931,125	0.54%
Sohi Affordable (Pending Appeals on Parcels)	34,039,097	0.51%
E R P Operating LP	21,829,836	0.33%
Cedros Venture Fund I LLC	21,484,782	0.32%
Total	\$ 494,408,652	7.43%
<u>For the Fiscal Year Ended June 30, 2015</u>		
S B T C Holdings LLC	\$ 113,796,155	2.86%
Pacific Solana Beach Holdings LP (Pending Appeals on Parcels)	63,640,835	1.60%
SB Corporate Centre III-IV LLC	31,800,282	0.80%
Sanyo Foods Corporation of America	30,336,037	0.76%
Fenton Solana Highlands LLC (Pending Appeals on Parcels)	28,886,942	0.73%
Muller-Beachwalk LLC (Pending Appeals on Parcels)	19,500,000	0.49%
E R P Operating LP	18,482,152	0.46%
Lavida Delmar Associates LP	16,452,415	0.41%
Hankey Investment Company LP	14,164,014	0.36%
Urschel Laboratories Inc	13,431,722	0.34%
Total	\$ 350,490,554	8.81%

Source: HdL Coren & Cone and San Diego County Assessor 2014/15 & 2023/24

CITY OF SOLANA BEACH

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 6,576,197	\$ 6,257,093	95.1%	\$ 215,422	\$ 6,472,515	98%
2016	6,931,466	6,635,180	95.7%	80,163	6,715,343	97%
2017	7,300,293	7,017,400	96.1%	27,141	7,044,541	96%
2018	7,741,663	7,444,166	96.2%	33,622	7,477,788	97%
2019	8,232,844	7,949,648	96.6%	27,740	7,977,388	97%
2020	8,622,755	8,306,418	96.3%	36,401	8,342,819	97%
2021	9,074,415	8,652,200	95.3%	65,224	8,717,424	96%
2022	9,507,779	9,078,200	95.5%	70,616	9,148,816	96%
2023	10,371,116	10,237,578	98.7%	16,297	10,253,875	99%
2024	11,296,637	10,658,832	94.4%	258,986	10,917,818	97%

Sources: City of Solana Beach Finance Department, County of San Diego Office of Auditor-Controller.

CITY OF SOLANA BEACH

Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Government Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Refunding Lease ABAG	Bonds	Capital Leases	Bonds and Direct Borrowings/Placements				
2015*	\$ 1,055,400	\$ 5,500,000	\$ 701,931	\$ 11,273,883	\$ 18,531,214	3.95%	\$ 1,419	
2016	940,600	5,500,000	1,271,372	10,339,405	18,051,377	4.05%	1,338	
2017	811,391	5,500,000	1,113,062	9,373,587	16,798,040	4.85%	1,242	
2018	685,559	5,500,000	943,496	19,146,912	26,275,967	3.10%	1,885	
2019	556,825	5,500,000	769,326	18,064,945	24,891,096	3.52%	1,786	
2020	420,291	5,500,000	590,421	17,449,133	23,959,845	3.66%	1,731	
2021	286,057	5,500,000	406,649	16,818,322	23,011,028	3.89%	1,664	
2022	144,423	5,500,000	349,819	16,262,766	22,257,008	4.04%	1,737	
2023	-	5,500,000	291,011	15,694,711	21,485,722	4.31%	1,681	
2024	-	5,500,000	230,155	15,104,156	20,834,311	5.36%	1,617	

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

^a See Demographic and Economic Statistics schedule for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

* Prior years adjusted to comply with GASB comment Q&A 9.24- Included the Premiums/Discounts and Bonds

CITY OF SOLANA BEACH

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2024**

Fiscal Year 2023-24 Assessed Valuation : \$ 6,653,097,287

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City (1)</u>	<u>Net Bonded Debt</u>
<u>Overlapping Tax & Assessment Debt</u>			
Metropolitan Water District	\$ 18,210,000	0.172%	\$ 31,321
Mira Costa Community College District	\$ 359,270,000	4.665%	\$ 16,759,946
San Dieguito Union High School District	\$ 408,120,000	7.717%	\$ 31,494,620
San Dieguito Union High School District Community Facilities District No. 95-1	\$ 24,380,000	0.555%	\$ 135,309
Solana Beach School District School Facilities Improvement District No. 2016-1	\$ 87,455,000	32.322%	\$ 28,267,205
City of Solana Beach 1915 Act Bonds	\$ 1,940,000	100.000%	\$ 1,940,000
Olivenhain Municipal Water District, Assessment District No. 96-1	\$ 3,720,000	1.292%	\$ 48,062
Total Overlapping Tax & Assessment Debt			\$ 78,676,463
<u>Direct & Overlapping General Fund Debt</u>			
San Diego County General Fund Obligations	\$ 374,600,000	0.946%	\$ 3,543,716
San Diego County Pension Obligations	\$ 211,225,000	0.946%	\$ 1,998,189
San Diego County Superintendent of Schools General Fund Obligations	\$ 6,050,000	0.946%	\$ 57,233
Mira Costa Community College District Certificates of Participation	\$ 49,425,000	4.665%	\$ 2,305,676
San Dieguito Union High School District Certificates of Participation	\$ 12,730,000	7.717%	\$ 982,374
Solana Beach School District General Fund Obligations	\$ 5,494,728	27.349%	\$ 1,502,753
City of Solana Beach Capital Lease Obligation	\$ 220,636	100.000%	220,636
Total Direct & Overlapping General Fund Debt			\$ 10,610,577
<u>Overlapping Tax Increment Debt</u>	\$ 1,902,400	100.000%	\$ 1,902,400
TOTAL DIRECT DEBT			\$ 220,636
TOTAL OVERLAPPING DEBT			\$ 90,968,804
COMBINED TOTAL DEBT			(2) \$ 91,189,440

Debt to Assessed Valuation Ratios :

Total Overlapping Tax & Assessment Debt	1.18%
Total Direct Debt (\$220,636)	0.00%
Combined Total Debt	1.37%

Redevelopment Incremental Valuation (\$263,340,220) Ratio:

Total Overlapping Tax Increment Debt	0.72%
--------------------------------------	-------

Notes: (1) - Percentage of overlapping agency's assessed valuation located within the boundaries of the city.
(2) - Excludes tax and revenue anticipation notes, enterprise revenues, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

CITY OF SOLANA BEACH

**Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 6,653,097
Debt limit (15% of assessed value)	997,965
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 997,965</u></u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin Percentage of Debt Limit</u>
2015	\$ 597,013	\$ -	\$ 597,013	100.00%
2016	630,359	-	630,359	100.00%
2017	664,464	-	664,464	100.00%
2018	708,810	-	708,810	100.00%
2019	755,767	-	755,767	100.00%
2020	793,275	-	793,275	100.00%
2021	832,192	-	832,192	100.00%
2022	861,939	-	861,939	100.00%
2023	934,577	-	934,577	100.00%

CITY OF SOLANA BEACH

Pledged-Revenue Coverage
Last Ten Fiscal Years

2011 ABAG Refunded Lease Revenue Bonds

<u>Fiscal Year</u>	<u>Use of Money & Property</u>	<u>Lease/Rents</u>	<u>Less: Expenditures</u>	<u>Net Available Revenue</u>
2015*	\$ -	\$ 148,732	\$ -	\$ 148,732
2016*	-	153,283	-	153,283
2017*	-	152,429	-	152,429
2018*	-	151,067	-	151,067
2019*	-	154,321	-	154,321
2020*	-	147,382	-	147,382
2021*	-	150,056	-	150,056
2022*	-	147,465	-	147,465
2023*	-	-	-	-
2024*	-	-	-	-

<u>Fiscal Year</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Principal</u>	<u>Interest</u>	
2015*	\$ 114,800	\$ 33,932	1.00
2016*	123,400	29,883	1.00
2017*	126,800	25,629	1.00
2018*	129,800	21,267	1.00
2019*	137,600	16,721	1.00
2020*	135,300	12,082	1.00
2021*	142,700	7,356	1.00
2022*	145,000	2,465	1.00
2023*	-	-	0.00
2024*	-	-	0.00

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Expenditures do not include interest, depreciation, or amortization expenses.

* 2002 ABAG Lease Revenue Bonds

CITY OF SOLANA BEACH

**Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2014	\$ 13,059	\$ 731,200	\$ 55,992	6.0%
2015	13,494	778,568	57,697	4.8%
2016	13,527	815,210	60,265	4.3%
2017	13,938	830,408	59,579	1.7%
2018	13,933	875,833	62,860	1.7%
2019	13,838	873,757	63,142	1.7%
2020	13,827	894,002	64,656	5.1%
2021	12,812	899,448	70,204	2.6%
2022	12,784	925,044	72,360	1.8%
2023	12,887	1,116,234	86,617	2.0%

Sources: HdL Coren & Cone report prepared on 8/19/24

CITY OF SOLANA BEACH

25 MAJOR EMPLOYERS - SAN DIEGO COUNTY
AS OF 2024

Employer	Category	Industry
32nd St Naval Station	3	Federal Government-National Security
Collins Aerospace	1	Aircraft Components-Manufacturers
Employees' Association - SDG&E	1	Associations
General Dynamics Nassco	1	Ship Builders & Repairers (Mfrs)
Illumina Inc	1	Biotechnology Products & Services
Jennifer Moreno Dept - Veterans	1	Hospitals
Kaiser Permanente Vandever Med	2	Physicians & Surgeons
Kaiser Permanente Zion Med Ctr	1	Hospitals
MCCS MCRD San Diego - Marine Corps	2	Military Bases
Merchants Building Maintenance	1	Janitor Service
Naval Medical Center San Diego	2	Hospitals
Page One Seo	1	Mental Health Services
Rady's Children's Hospital	1	Hospitals
San Diego Community College	2	Junior-Community College- Tech Institutes
San Diego County Sheriff	1	Police Departments
Scripps Mercy Hospital San Diego	1	Hospitals
Scripps Research Institute	1	Laboratories-Research & Development
Seaworld San Diego	1	Amusement & Theme Parks
Sharp Grossmont Hospital	1	Hospitals
Sharp Grossmont Rehab Center	1	Vocational Rehabilitation Services
Sharp Mary Birch Hospital	1	Hospitals
Sony Electronics Inc	1	Electronic Equipment & Supplies-Retail
UCSD- Neural Computation	3	University-College Dept/Facility/Office
University of California	3	University-College Dept/Facility/Office
University of California - San Diego	3	Schools-Universities & College Academic

Source:

State of California- Employee Development Department- Major Employers in San Diego for 2024

Categories

- 1 1,000-4,999 Employees
- 2 5,000-9,999 Employees
- 3 10,000+ Employees

CITY OF SOLANA BEACH

**Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
City Council	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
City Clerk	3.10	3.10	3.10	3.10	3.10	3.23	3.23	3.48	3.23	3.23
City Manager	2.05	2.05	1.80	1.90	1.90	2.48	2.48	2.58	2.58	2.58
Legal Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Finance	3.55	3.55	3.55	3.45	3.05	3.30	3.70	3.35	3.35	3.90
Risk Mgt - Ins & Workers Comp	-	-	-	-	-	1.20	1.20	1.20	1.20	1.35
Personnel/Human Resources	1.00	1.00	1.15	0.95	0.95	0.95	0.95	1.20	1.20	2.10
Info/Communication Systems	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	2.50
Community Development	6.00	6.00	5.80	5.80	5.80	6.00	7.00	6.00	6.00	7.00
Public Safety										
Fire	19.95	19.95	19.95	20.20	20.20	20.20	20.20	20.20	20.20	19.20
Code Enforcement	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Marine Safety	8.06	9.49	9.49	9.29	9.29	9.71	9.71	9.71	9.71	10.13
Junior Lifeguards	3.73	3.53	4.03	4.23	4.23	4.7	3.98	3.93	3.93	3.93
Public Works										
Engineering	2.28	2.13	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73
Environmental/Flood Control	1.10	1.10	1.05	1.05	1.05	1.05	1.05	1.20	1.20	1.35
Street Maintenance	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.35
Park Maintenance	1.35	1.35	1.35	1.35	1.35	1.35	1.25	1.35	1.35	1.00
Recreation & Community Services										
Community Services	0.95	0.95	0.90	0.90	0.65	0.90	0.65	0.85	0.85	1.10
Recreation	2.46	2.48	2.43	2.43	2.38	2.43	2.33	2.50	2.45	2.45
Sanitation	2.93	3.22	3.12	3.37	3.37	3.37	3.37	3.37	3.37	4.84
Improvement Districts	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.95	0.95	1.70
Redevelopment Agency	0.90	0.90	1.10	0.80	0.80	0.80	0.14	0.24	0.24	0.12
Solana Energy Alliance*	-	-	-	-	0.75	0.75	0.75	-	-	-
Total Personnel	66.51	67.90	68.65	68.65	68.70	72.25	71.82	71.54	71.24	75.81

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

*Solana Energy Alliance (SEA) only operated from FY 2019 through FY 2021.

Source: City of Solana Beach's Annual Budget

CITY OF SOLANA BEACH

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Community development										
Number of:										
Business Certificates (A)	1,957	2,068	2,007	2,055	2,345	2,677	2,677	1,608	1,853	1,859
Plan checks (B)	275	304	284	319	319	399	399	483	699	899
Code violations (C)	1,016	1,240	1,124	2,513	2,656	8	-	155	177	246°
Parking Citations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,892
Police (Calendar basis)										
Number of calls for service (D) (E):										
Priority 1	12	13	7	11	9	2	9	12	13	16
Priority 2	467	437	343	470	209	159	207	281	233	210
Priority 3	1,712	1,740	1,141	1,825	167	117	143	160	154	136
Priority 4	1,225	1,110	826	1,181	1,154	1,109	1,337	1,478	1,301	1,286
Priority 5	N/A	N/A	N/A	N/A	247	226	337	345	274	258
Priority 6	N/A	N/A	N/A	N/A	147	287	212	164	163	148
Priority 7	N/A	N/A	N/A	N/A	703	619	832	831	834	766
Priority 8	N/A	N/A	N/A	N/A	-	-	-	-	-	-
Priority 9	N/A	N/A	N/A	N/A	-	-	-	-	-	-
FBI Index Crimes	305	240	173	227	139	117	231	246	219	250
Fire										
Emergency Responses	1,798	1,810	1,883	1,859	1,792	1,792	1,495	1,569	1,469	1,884
Training Hours	6,178	5,997	4,696	4,687	6,350	6,350	6,375	7,053	6,374	6,990
Plan Checks	289	380	390	375	375	375	436	452	490	646
Public works										
Miles of:										
Street resurfacing/repair	550000**	5.3*	1.7*	2	3.8	1.0	0.8	1.1	5.3	5.3
Street sweeping	900*	900*	900*	504	504	504	504	504	504	504
Number of:										
Street signal maintained	192	192	192	192	192	192	192	192	192	192
Trees pruned per year	40	40	500	274	280	280	280	280	280	290
Recreation & community services										
Number of enrollees:										
Day camp (Calendar basis)	329	266	315	322	315	312	290	303	294	301
Special events (attendees)	10,600	7,800	8,300	7,400	7,700	6,500	2,200	9,350	5,300	9,100

N/A - Data not available

(A) - Includes new & renewal licenses

(B) - Excludes temporary plan checks.

(C) - Code cases are based on the number of cases opened during the calendar year.

° estimated based on 9 months of data of calendar year 2024

(D) - Numbers adjusted and updated on ACFR FY16-17 for FY13-FY17 numbers to count only complete calls for service.

(E) - FY18-19 San Diego Sheriff dispatch system shifted to a 9-category system

Sources: Various city departments.

* Street Repair in Miles

** Street repair in Square Feet (SF)

CITY OF SOLANA BEACH

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public Safety										
Code enforcement vehicles	2	2	2	2	2	2	2	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Engines	3	3	3	3	2	2	2	2	2	2
Fire Ladder Truck	1	1	1	1	1	1	1	1	1	1
Other vehicles	2	2	2	2	3	3	3	3	3	3
Public works										
Streets (miles)	42	42	42	42	42	42	42	42	42	42
Street lights (city-owned)	527	527	527	525	525	525	525	525	525	525
Traffic signals	16	16	16	16	16	16	16	16	16	16
Public works vehicles	11	11	12	8	8	8	8	8	8	9
Public works Corporation Yard	1	1	1	1	1	1	1	1	1	1
Recreation & community service										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	3	3	3	2	2	2	2	2	2	2
Marine Safety										
Lifeguard Stations (Permanent)*	3	3	6	6	3	3	3	3	3	3
Lifeguard Stations (Temporary)	N/A	N/A	N/A	N/A	3	4	4	4	4	4
Vehicles	4	4	5	5	5	5	5	5	4	4

Notes: No capital asset indicators are available for the general government.

Sources: Various city departments.

* Both Fixed and Portable Towers up FY18. FY19 broke out number of temporary stations.



CITY OF SOLANA BEACH

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