



# **CITY OF SOLANA BEACH CALIFORNIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL PERIOD ENDED JUNE 30, 2019**



CITY OF SOLANA BEACH, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL PERIOD ENDED JUNE 30, 2019

PREPARED BY THE FINANCE DEPARTMENT  
OF THE CITY OF SOLANA BEACH



CITY OF SOLANA BEACH, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i
GFOA Certificate of Achievement .....	xiv
Principal Officials .....	xv
Organizational Chart.....	xvi
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities .....	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	36
Statement of Net Position - Proprietary Funds.....	38
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	39
Statement of Cash Flows - Proprietary Funds .....	40
Statement of Fiduciary Net Position - Fiduciary Funds.....	45
Statement of Changes in Fiduciary Net Position.....	46
Notes to Financial Statements.....	49

CITY OF SOLANA BEACH, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Information.....	96
Budgetary Comparison Schedules	
General Fund .....	97
Transnet Fund .....	98
Pension Plans	
Schedules of Proportionate Shares of the Net Pension Liabilities .....	99
Schedules of Plan Contributions .....	100
OPEB Plan	
Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios .....	101
Schedules of Plan Contributions .....	102
Schedule of Investment Returns .....	103
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	116
Budgetary Comparison Schedules:	
Special Revenue Funds:	
Gas Tax .....	124
Municipal Improvement Districts.....	125
Lighting District .....	126
TEA21/ TEA.....	127
COPS.....	128
Public Safety.....	129
Fire Mitigation .....	130
Transportation Development Act Fund.....	131
CDBG .....	132
Caltrans .....	133
Coastal Area Business/Visitors Assistance and Enhancement .....	134
Developer Pass-Thru.....	135
Housing.....	136
Camp Programs .....	137
SB1 Streets & Roads.....	138

CITY OF SOLANA BEACH, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2019

TABLE OF CONTENTS

Page  
Number

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)**

Capital Projects Funds:	
City CIP.....	139
Assessment Districts CIP .....	140
Sand Replenishment/Retention and Coastal Access.....	141
Debt Service Funds:	
City Debt Service.....	142
Combining Statement of Net Position - All Agency Funds .....	145
Combining Statement of Changes in Assets and Liabilities - All Agency Funds.....	146

**STATISTICAL SECTION**

Net Position by Component.....	152
Changes in Net Position .....	154
Fund Balances – Governmental Funds.....	156
Changes in Fund Balances – Governmental Funds.....	158
Assessed Value and Estimated Actual Value of Taxable Property.....	163
Direct and Overlapping Property Tax Rates.....	164
Principal Property Tax Payers .....	166
Property Tax Levies and Collections .....	167
Ratio of Outstanding Debt by Type .....	170
Direct and Overlapping Governmental Activities Debt .....	171
Legal Debt Margin Information .....	172
Pledged Revenue Coverage .....	173
Demographic and Economic Statistics .....	176
Top 25 Employers – San Diego County .....	177
Full-Time Equivalent City Employees by Function/Program .....	180
Operating Indicators by Function/Program.....	182
Capital Asset Statistics by Function/Program .....	184

**THIS PAGE INTENTIONALLY LEFT BLANK**





---

## CITY OF SOLANA BEACH

FAX (858) 792-6513 / (858) 755-1782

635 SOUTH HIGHWAY 101 • SOLANA BEACH • CALIFORNIA 92075-2215 • (858) 720-2400

---

January 21, 2020

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) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019.

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 CAFR 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; community choice aggregation; 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 Human 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 also is 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**

Lance, Soll and Lunghard, LLC, 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, 2019, are free of material misstatement. 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, 2019, provided no instances of material weaknesses in the internal control structure and no violations of applicable laws and regulations. The independent auditor concluded there was a 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 the 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 of Solana Beach was incorporated on July 1, 1986, under the general laws of the State of California and is home to a population of 13,933 residents per the State of California Department of Finance. 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 of Solana Beach 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 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 five members elected at large for staggered four-year terms of office. The Mayor and Deputy Mayor are selected by the Council from among its members to serve one-year terms. 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 2019, the City Council approved a two-year budget for Fiscal Years (FY) 2019/20 and 2020/21. The same process was followed in developing the two-year budget and, as the budget is amended during this two-year budget cycle, budget adjustments will be brought to the City Council for review and approval.

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. 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' departments with City Manager approval. 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 2018/19 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**

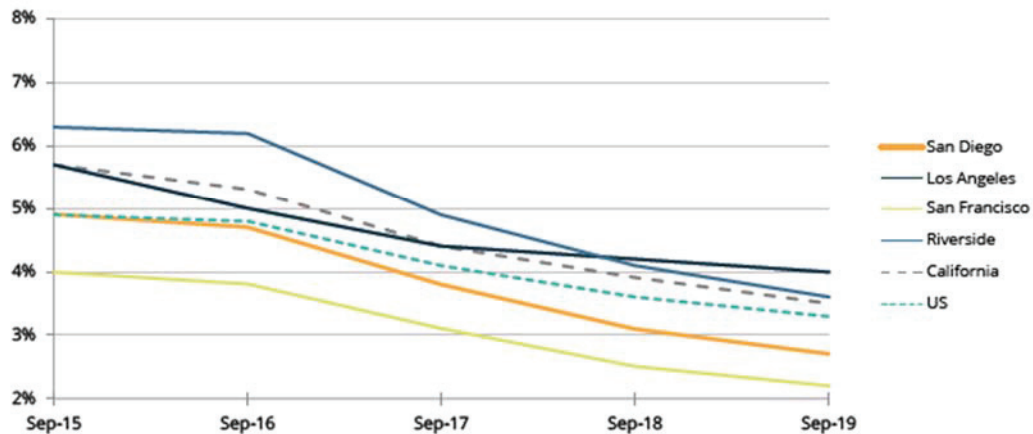
Solana Beach is home to citizens who enjoy the benefits of a coastal community that is within close proximity to the City of San Diego. The local beaches are a big attraction to both residents and non-residents. The City is comprised mainly of single-family homes and condominiums with retail, office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

In regards to San Diego's local economy, the San Diego Regional Economic Development Corporation in its report on key economic indicators for the San Diego area shows that the area's unemployment rate is 2.7 percent for the third quarter 2019, which is a reduction from the previous quarter of 0.6 percent, and is lower than the state rate of 3.5 percent and the national rate of 3.3 percent. Out of the 25 most populous metropolitan areas in the United States, San Diego's unemployment rate ranks the 5<sup>th</sup> lowest. Unemployment rate trends for San Diego as compared to national, state and its regional neighbors have been on a downward trend as shown in the table on the following page.

## UNEMPLOYMENT TRENDS

### Quarter-End Unemployment Rate San Diego & Select California Metros

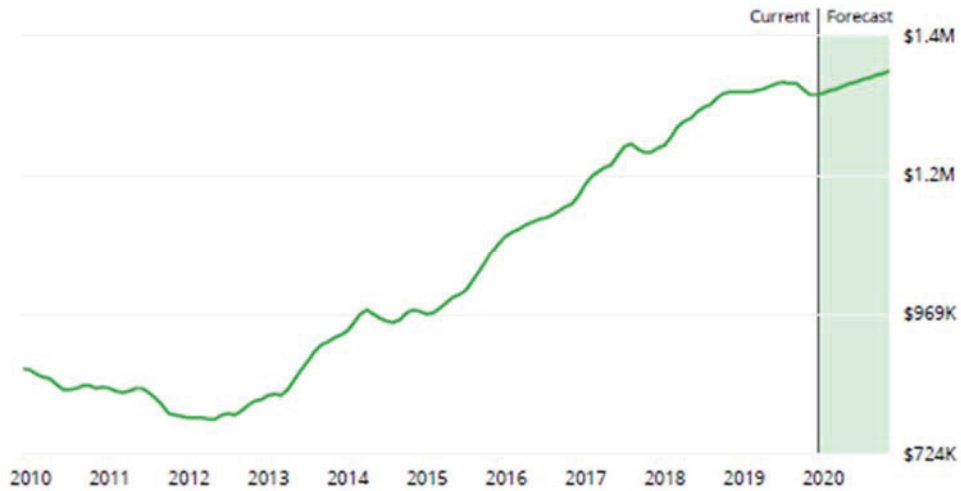


Source: Bureau of Labor Statistics  
Note: Data not seasonally adjusted. Quarter-end monthly data.

The strongest area in new hiring is in the construction industry, professional and business services, and educational and health services. Healthcare has an especially strong demand, especially in hiring for registered nurses, followed closely by a demand for applications software developers.

Housing prices continue to place the San Diego region as the third highest median home price chart, just below San Francisco and Los Angeles, as compared to the 25 most populous metropolitan areas in the United States. San Diego's median home price was \$645,000 in the third quarter 2019, a decrease of 0.8 percent as compared to the same quarter in 2018 and as compared to the national average of \$456,500.

Solana Beach's home values follow this trend. Since the 2008 recession, the City's median home value has steadily risen and in October 2019 was \$1,358,000 according to the Zillow home value index. Over the past year, home values in the City have decreased by 0.4 percent and Zillow expects that they will increase 3.0 percent over the next year as illustrated in the graph on the following page.



The median list price per square foot in Solana Beach is \$799, which is higher than the San Diego-Carlsbad Metro average of \$382. Rental costs for the City follow the same pattern - the median rent price in Solana Beach is \$3,900, which is higher than the San Diego-Carlsbad Metro median of \$2,700.

Housing sales may be affected in the coming year by a potential rise in mortgage rates and housing affordability. Additionally, the federal tax law effective in 2018 limits interest that can be deducted to \$750,000 in mortgage debt and limits state and local tax deductions to \$10,000.

The Consumer Confidence Index (Index) reached an 18-year peak in the Fall of 2018 but has fallen due to continuing trade tensions with China that have reduced exports, raised costs and cut into profits. The Index fell in November for the fourth month in a row to 125.5 (1985=100). Despite the Index's decline, Americans are still fairly confident in the economy, with unemployment near a 50-year low, layoffs are infrequent, and wages are continuing to increase steadily.



The UCLA Anderson Forecast's (Forecast) report issued in November 2019 has lowered its risk of a recession in 2020 but still sees the second half of 2020 as unpredictable for the economy. A potential recession in the latter half of 2020 is still possible though perhaps not as high as in previous Forecasts. The Forecast has revised its economic growth projections slightly upward from 1.25% to 1.75% for 2020 and then projects 1.9% growth in 2021.

On June 27, 2018, Governor Gavin Newsom signed a \$208.9 billion budget for the 2019/20 fiscal year, an increase of 2 percent over revised totals for 2018/19. The state budget includes a \$147.8-billion general fund, a \$5.1 billion or 4 percent increase, as compared to the revised FY 2018/19 budget appropriations. General Fund revenues are estimated at \$143.8 billion for FY 2019/20, which is \$5.8 billion or 4.0 percent more than the revised FY 2018/19 revenues.

The new general fund budget allocates \$58.3-billion for K-12 and preschool, and increases higher education to \$17.5 billion. Healthcare spending is the largest portion of the budget, with a total cost of \$163 billion, \$41.9 billion from the general fund and \$121.1 billion from other sources including federal funds. The spending is focused on Medi-Cal, the healthcare program for low-income residents. It is estimated that more than one in three state residents, are now enrolled. Other provisions were made for spending on child-care services, health insurance subsidies, and one-time payments to reduce the long-term cost of pension and retirement costs for public employees.

The FY 2019/20 total budget projects a \$21.5 billion surplus and the budget invests the surplus in a variety of reserves to help the state in case of an economic downturn.

Proposition 2, passed by the voters in 2014, requires the state to set aside at least 1.5% of its revenues each year to pay down debts and build a rainy-day fund. This budget allocates \$2.7-billion to the reserve, with half going to the state's rainy-day fund and half to pay down debts. With the addition of monies to the reserves, the state is expected to have on hand almost \$19.2 billion by the end of FY 2019/20.

## **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 hold costs in line with available resources.

General Fund property taxes have been, and are expected to be, the highest revenue generator for the City. Sales tax is the City's second largest revenue source. During FY 2018/19, property taxes increased by \$451,997, or 6.0%, to \$7,952,416 as compared to FY 2017/18, while sales tax increased by \$311,151, or 9.7%, to \$3,502,561. Sales tax revenue in FY 2018/19 included one-time revenues of approximately \$125,000 that were attributable to FY 2017/18 but not received until the following fiscal year.

Overall, the City's General Fund revenues increased by \$2,139,429, or 11.6%, from \$18,431,516 in FY 2017/18 to \$20,570,945 in FY 2018/19.

For FY 2019/20, budgeted property taxes are expected to increase as compared to actual amounts received for the prior fiscal year and sales tax is projected to decrease due to the

one-time revenues received in FY 2018/19. Property tax is expected to increase to \$8,257,200, or by 3.8%, and sales tax is projected to decrease to \$3,259,200, or by 6.9%.

Total General Fund revenues, net of internal service charges, are budgeted at \$19,357,000. It is the City's goal not to rely on General Fund reserves to operate the City annually. The General Fund budget for FY 2019/20 was adopted on June 12, 2019 with a projected \$64,400 surplus and a second-year budget, for FY 2018/19, was also adopted with a projected \$74,000 surplus.

The City has taken steps to help maintain its fiscal sustainability over the next years by:

1. Negotiating a five-year contract beginning in July 2017 with the San Diego Sheriff's Department to provide law enforcement services with increases from year to year projected to average approximately 5.4% over the five years.
2. Amending a Fire Department Management Services Cooperative Agreement with the Cities of Del Mar and Encinitas that continues to provide a cost effective option to eliminate redundancy and increase levels of service by sharing common functions of organizational direction and control, supervision of operations, training, fire prevention, administrative and fiscal management, and disaster preparedness.
3. Maintaining 17% of operating expenditures, including debt service, as a reserve in the General Fund to be used in the case of significant financial or other emergency.
4. Implementing cost sharing of the employer's share of retirement costs with its employee associations. The goal of the increased cost share is to try to reach a 50% normal cost share between the employee and employer for retirement costs. This allows the City to reduce its pension costs.

All Classic Members (Tier 1 and Tier 2) currently pick-up a portion of the Employer Share of CalPERS retirement costs. The Miscellaneous employee groups pick-up 1.04% and 0.19% for Tier 1 and Tier 2, respectively; the Fire employee groups pick-up 3.00% for both Tier 1 and Tier 2; and the Marine Safety employee groups pick-up 2.00% for Tier 1 and Tier 2.

5. Establishing an irrevocable Section 115 trust with Public Agency Retirement Services (PARS) in a "Post-Employment Benefits Trust Program" (Trust). The Trust is a combination trust that allows pre-funding of both unfunded Pension and Other Post Employment Benefit (OPEB) obligations. The City's estimated total obligation at June 30, 2019 is \$14,061,674 for pension and \$4,127,628 for OPEB for a total of \$18,189,302.

As part of the adoption of the FY 2019/20 and 2020/21 Budgets, the City has established a funding policy to fund the OPEB PARS Trust (\$378,000 in FY 2019/20 and \$389,000 in FY 2020/21). Additionally, for FY 2018/19, the City extended the funding policy as part of the FY 2018/19 budget mid-year update at the June 12, 2019 Council meeting (\$323,000 in FY 2018/19).



Through June 30, 2019, the Pension and OPEB trusts have been funded in the amounts of \$2,367,632 and \$818,535, respectively, for a combined total of \$3,186,167.

6. Adopting a comprehensive user fee update effective January 1, 2019 with expected ongoing cost of living increases not to exceed 2.5% per fiscal year. The last comprehensive user fee update had been done in 2006.

### **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 requirement discussed in the previous section. This policy, as in the adoption of the FYs 2019/20 and 2020/21 Budgets, is one that has been continuously adhered to by Council.

The Asset 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 2019/20 and 2020/21 budget process, the Council again ensured that funds were appropriated to maintain adequate reserves in the Asset Replacement Fund.

Additionally, beginning with the budget cycle for FY 2014/15, the City established an infrastructure replacement reserve to ensure that funds are available in the future for the replacement of buildings and improvements. Through FY 2020/21, the Council has approved \$1,000,000 to this reserve fund.

### **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 also with the Local Agency Investment Fund (LAIF) consistent with the City's Investment Policy.

The City's longstanding Investment Policy was amended by the Council on February 10, 2016, 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 market value of investments (FMV). The total investment income for all funds for the fiscal year was \$1,617,759 (\$825,375 investment income received plus \$792,384 gain on the FMV), an increase of \$1,321,608 over the prior fiscal year's amount of \$296,151 (\$601,202 investment income received less \$305,051 loss on the FMV).

## **Major Projects and Financial Planning**

### Solana Energy Alliance

Community Choice Aggregation (CCA), authorized by Assembly Bill 117, is a state law that allows cities, counties and other authorized entities to aggregate electricity demand within their jurisdictions in order to purchase and/or generate alternative energy supplies for residents and businesses within their jurisdiction while maintaining the existing electricity provider for transmission and distribution services. The goal of a CCA is to provide a higher percentage of renewable energy electricity at competitive and potentially cheaper rates than existing Investor Owned Utilities (IOUs), while giving consumers local choices and promoting the development of renewable power sources and programs and local job growth.

The City's CCA, Solana Energy Alliance (SEA), was established by the City Council through adoption of Ordinance 483 on December 13, 2017 and began serving customers in June 2018. SEA is the first CCA to launch in San Diego Gas & Electric (SDG&E) territory.

The City Council established SEA with the goal of offering cleaner energy, local control, rate savings compared to SDG&E and supporting its Climate Action Plan's aggressive goal of 100% renewable energy by 2035. SEA launched with its default product, SEA Choice, sourced from 50% renewable and 75% greenhouse gas free sources. In addition, SEA offers SEA Green, its 100% renewable energy product. SEA has been operational for one and a half years and continues to achieve the goals set out by the City Council.

### Clean Energy Alliance

The City has been actively engaged in regional discussions regarding the potential development of a Joint Powers Authority (JPA) or similar governance structure that would allow the City to join with other jurisdictions to form a larger, regional CCA. The City Council (Council) had always envisioned the City would be a partner in a larger CCA JPA when neighboring cities were ready and willing to join the CCA movement. The Solana Energy Alliance (SEA) was formed as a single-city entity because there were no other feasible options in 2017. This has now changed as multiple cities are exploring CCA formation in San Diego County.

At the September 16, 2019 Council meeting, the Council directed Staff to initiate negotiations with the cities of Carlsbad and Del Mar to form a regional CCA JPA. On October 9, 2019, the Council authorized the City to join what is now called the Clean Energy Alliance (CEA) with the goal to launch in 2021. CEA will have many of the same goals as SEA, but will be a larger and more robust CCA that will take advantage of the larger economies of scale.

### Solana Beach Pump Station Rehabilitation

This project is to make recommended upgrades, replacements and add emergency overflow storage to the Solana Beach Pump Station per the 2000 Sanitary Sewer Master Plan, along with recommendations from the San Elijo Joint Powers Authority (SEJPA). This station pumps approximately 92% of the City's sewage through a force main under the San Elijo Lagoon to the SEJPA water reclamation facility on Manchester Avenue. The SEJPA maintains the pump station, which was originally constructed in 1966. Since then, the pump station was upgraded in 1982 when significant improvements were made. The City has recently entered into an agreement with the City of Del Mar to transport the majority of their flows through the City's sewer infrastructure, including this pump station, to the SEJPA water reclamation facility.

City Council awarded the sewer pump station upgrades project to PCL Construction on August 22, 2018. The City issued a notice to proceed to the contractor on November 13, 2018. Construction completion is anticipated March 2020.

### La Colonia Tot Lot Improvements

In 2010, Van Dyke Landscape Architects developed preliminary design plans for La Colonia Park. This plan included an expansion of the existing Tot Lot and addition of a new picnic area in the general vicinity of the existing Tot Lot. The City Council, as part of the FY 2017/18 work-plan directed Staff to upgrade the existing Tot Lot. Staff is in the process of developing design plans for the renovation and upgrade of the existing Tot Lot so that the proposed project remains in substantial conformance of the La Colonia Park Master Plan.

### Lomas Santa Fe Drive Corridor Improvements

A recently completed transportation needs study identified several segments along the Lomas Santa Fe Drive corridor as high priority improvements. The first phase of the Lomas Santa Fe Corridor Study started in November 2016 and was intended to provide an assessment of the existing conditions which consisted of base mapping, data collection, identification of deficiencies and identification of proposed solutions to the deficiencies. The first phase has been completed. The second phase included additional technical and design analyses of the data collected in Phase I of the Feasibility Study and preparation of 30% preliminary engineering plans and cost estimates. Phase II was completed in the Fall 2018. Phase III will perform preliminary and final design of the proposed improvements. Phase III is expected to be completed in Fall 2020. The City received a grant from SANDAG for the work included in Phase III.

### Marine Safety Center Renovations

The Marine Safety Center (MSC) at Fletcher Cove 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 2016/17, Staff worked with SDA on the preparation of the Fletcher Cove MSC Feasibility/Needs Assessment Study. The results of the Study indicate 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.

In May 2017, the Study was presented to the City Council at which time the Council directed Staff to proceed with preparing a Request for Qualifications and Proposals (RFQ/P) for the complete removal and replacement of the existing facility. A consultant agreement for the preliminary design of the facility was approved by the City Council in October 2018. Since that time, the ongoing design has been presented at a community workshop and Council meetings.

### La Colonia Park Expansion

In July 2018, the City Council approved the purchase of a vacant 28,978 square foot lot located immediately north of and adjacent to La Colonia Park. The purchase price was \$2.8 million and will be financed by a loan from the Sanitation Fund payable over seven years at an annual interest rate of 2.78%.

City Staff will be working with the City Council and the community to integrate the property into the existing park and develop additional recreational opportunities for Solana Beach residents.

### Santa Helena Neighborhood Trail

Conceptual design work is underway for a neighborhood trail along Santa Helena, from Sun Valley Road to the northern terminus at the San Elijo Lagoon. In FY 2019/20, \$10,000 was appropriated to perform the conceptual design. This conceptual design is expected to be presented to the City Council for their consideration in the first quarter of the 2020 calendar year. An additional \$300,000 has been appropriated in the FY 2020/21 that would allow for community outreach and engineering design for the proposed project.

## **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 CAFR for the fiscal year ended June 30, 2018. This was the sixteenth year in the past seventeen years that the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports 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 our current report continues to conform to the Certificate of Achievement program requirements.

The preparation of the Comprehensive Annual Financial Report in accordance with the GASB 34 financial reporting model was made possible by the dedicated work of the Finance Department staff. Each member of the staff consisting of Catherine Wong, Kyle Koszewnik, Jill Thayer, and Amanda Sither has our sincerest appreciation for their contributions made in the preparation of this report. We would also like to thank the Mayor and Council for their continued support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Gregory Wade  
City Manager

Respectfully submitted,



Marie Marron Berkuti  
Finance Director/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Solana Beach  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF SOLANA BEACH  
FISCAL YEAR 2018/19  
DIRECTORY OF OFFICIALS AND ADVISORY BODIES**

---

**CITY COUNCIL**

David A. Zito, Mayor  
Jewel Edson, Deputy Mayor  
Judy Hegenauer, Council Member  
Kristi Becker, Council Member  
Kelly Harless, Council Member

**TERM EXPIRES**

December 2020  
December 2020  
December 2020  
December 2022  
December 2022

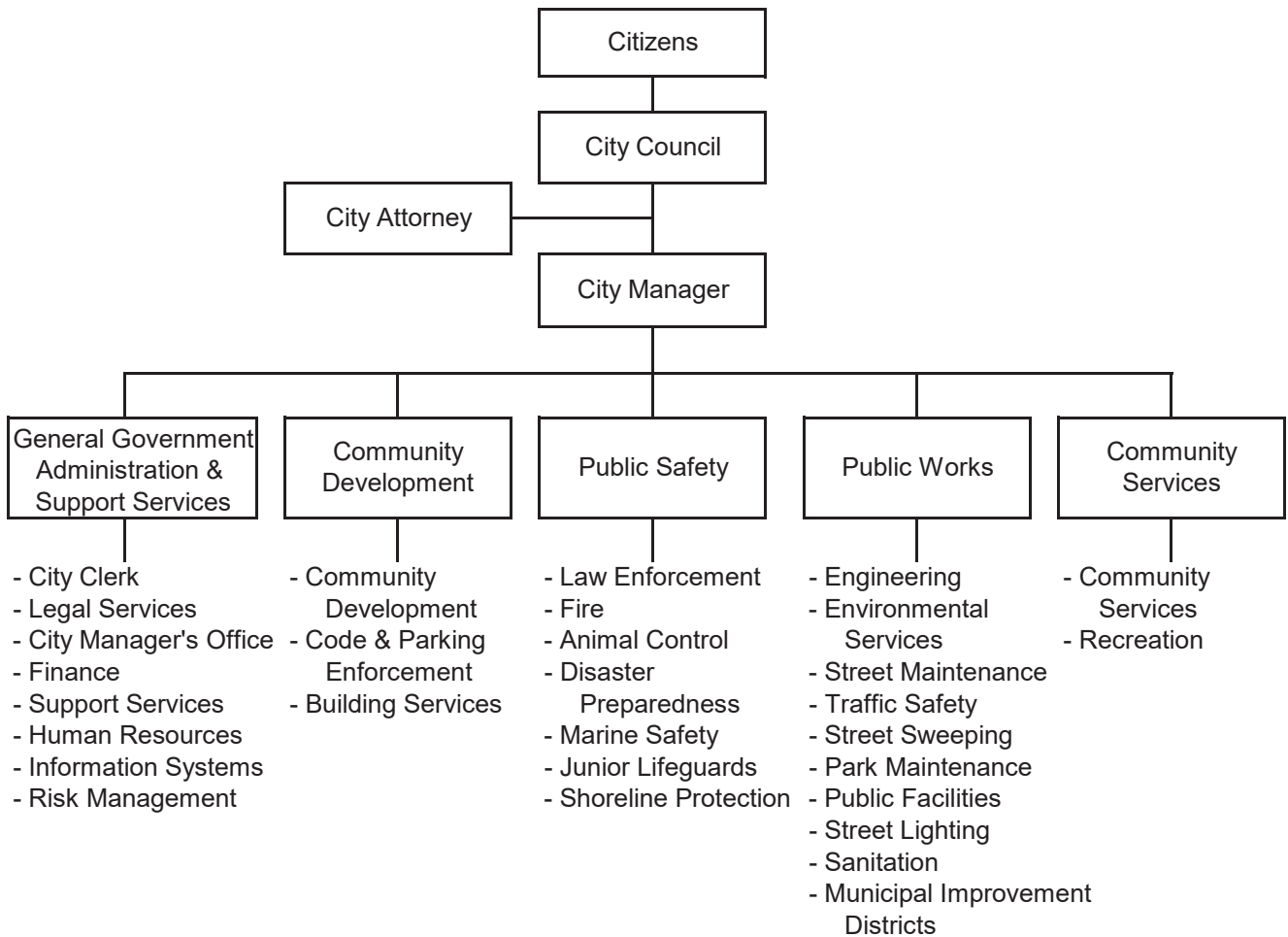
**ADVISORY COMMISSIONS**

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

**APPOINTED OFFICIALS AND DEPARTMENT DIRECTORS**

Gregory Wade	City Manager
Dan King	Assistant City Manager
Mohammed Sammak	Director of Public Works/City Engineer
Joseph Lim	Director of Community Development
Angela Ivey	City Clerk
Johanna Canlas	City Attorney
Marie Marron Berkuti	Finance Director/Treasurer

CITY OF SOLANA BEACH  
 CITY GOVERNMENT  
 ORGANIZATIONAL CHART  
 FISCAL YEAR 2018/2019







## INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solana Beach, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison schedules for the General Fund and the TransNet special revenue fund; the schedule of proportionate share of the net pension liability; the schedule of changes in the net other post-employment benefits (OPEB) liability; the schedules of plan contributions; and the schedule of investment returns be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

#### *Prior Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2019, from which such partial information was derived.

#### *Other Information*

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

The combining and individual fund financial statements and 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
January 21, 2020

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **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, 2019 (Fiscal Year (FY) 2019). It should be read in conjunction with the accompanying transmittal letter beginning on page i and the accompanying basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **FINANCIAL HIGHLIGHTS**

- The City's net position increased to \$81,328, or by \$4,616, as a result of FY2019 operations.
- Governmental net position equaled \$36,724.
- The total revenues from all sources were \$37,699.
- The total cost of all City programs was \$33,083.
- The General Fund reported an excess of expenditures over revenues and other financing sources and uses by \$1,741.
- The General Fund's actual resources received exceeded the final revenue budget by \$1,145 while actual expenditures were \$690 less than final budget before other financing sources and uses.

### **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 of 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, are 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 the 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 of 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 general 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**  
*(in Thousands)*

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 28,753	\$ 29,135	\$ 48,757	\$ 48,906	\$ 77,510	\$ 78,041
Capital assets, net	36,223	34,370	15,763	13,813	51,986	48,183
<b>Total assets</b>	64,976	63,505	64,520	62,719	129,496	126,224
Deferred Outflows	3,337	4,122	354	288	3,691	4,410
<b>Liabilities:</b>						
Long-term debt outstanding	8,214	8,522	18,116	19,194	26,330	27,716
Other liabilities	21,698	24,173	2,045	1,146	23,743	25,319
<b>Total liabilities</b>	29,912	32,695	20,161	20,340	50,073	53,035
Deferred Inflows	1,677	872	109	16	1,786	888
<b>Net position:</b>						
Net investment in capital assets	29,397	27,241	8,893	5,929	38,290	33,170
Restricted	11,238	9,139	-	-	11,238	9,139
Unrestricted	(3,911)	(2,320)	35,711	36,722	31,800	34,402
<b>Total net position</b>	<b>\$ 36,724</b>	<b>\$ 34,060</b>	<b>\$ 44,604</b>	<b>\$ 42,651</b>	<b>\$ 81,328</b>	<b>\$ 76,711</b>

The City's combined net position for the fiscal year ended June 30, 2019 was \$81,328. The City has chosen to account for its sanitation and community choice aggregation operations in an enterprise fund, which is shown as Business Activities on Table 1. The City's net position for governmental activities increased from \$34,060 to \$36,724. The following is an explanation of the governmental activity changes between fiscal years as shown in Table 1:

- Current and other assets decreased \$382 or 1.3% primarily because of monies borrowed from the Sanitation Fund of \$2.8 million used to purchase 700 Stevens Avenue (700 Stevens). The property consists of 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 700 Stevens offered the City an opportunity to expand the existing open space, recreation and park use in the future. The amount is reported as a negative Internal Balance amount in the asset section of the balance sheet for government activities. In each succeeding fiscal year, as the Sanitation Fund is repaid, the negative Internal Balance amount will be reduced by that fiscal year's principle payment, and the fund balance will be increased to zero by fiscal year 2025/26.



- Deferred outflows of \$3,337 are a result of the implementation of GASB 68 and are related to contributions made after the actuarial measurement date for the net pension liability.
- Capital assets increased \$1,853 (net of \$3,867 depreciation and disposition) as detailed in Table 4 primarily due to the acquisition of 700 Stevens for \$2.8 million. Ongoing projects include La Colonia Skate Park, which was completed during the summer of 2019, and Marine Safety Center Renovations. The City also had construction activities for the annual street pavement program and ongoing storm drain repairs totaling \$822.
- Governmental long-term debt decreased \$308 due to routine principal payments made on existing debt principal and a reduction in claims payable. See Table 5 for additional detail.
- Deferred inflows of \$1,677 are a result of the implementation of GASB 68 and GASB 75 and are related to unrecognized actuarial gains and losses for the net pension and OPEB liabilities.
- Other liabilities decreased \$2,475 primarily due to decreases in net OPEB liability of \$1,456 and in net pension liability of \$504. The City began recording its net OPEB liability in FY 2018 as a result of implementing GASB 75 and had previously implemented GASB 68 in FY 2015 to record its net pension liability. Decreases were also recorded in deposits payable of \$874.
- Net investment in capital assets increased \$2,156 primarily due to the addition of 700 Stevens at \$2.8 million. There was also a reduction in net depreciable assets with the addition of depreciable assets totaling \$1,425 less depreciation and disposition costs of \$3,867.
- Restricted net position increased \$2,099 due to an increase in ongoing capital improvement projects of \$893, increasing the irrevocable trust for pension liabilities by contributions and interest equaling \$449, and increasing redevelopment activities by \$325 due to the receipt of affordable housing impact fees.
- As a result of the above activities, unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements, decreased \$1,591 from \$(2,320) to \$(3,911) at June 30, 2019 primarily due to the \$2.8 million payment made for the purchase of 700 Stevens Avenue.

## **Governmental Activities**

The cost of all Governmental activities in FY2019 was \$23,668 as shown on Tables 2 and 2.1. Of this cost, \$3,286 was paid for by those who directly benefited from the programs; \$2,038 was subsidized by grants received from other governmental organizations for both capital and operating activities; and \$21,008 was financed through general City revenues. Overall governmental program revenues, including intergovernmental aid and fees for services were \$5,324. Items of significance within Table 2 are:

## Revenues:

- Charges for services increased by 12.8% as compared to FY2018 primarily as a result of increased revenues received for impact fees and reimbursements due from the proponents of a special election for City Clerk expenses.
- Operating and Capital grants and contributions increased by a net \$94 over the prior fiscal year amount due to an increase in various public safety and public works grants and contributions received or recognized in FY2019 as compared to FY2018.
- Property taxes and other taxes increased by approximately 8.2% or \$1,431 due to improved property valuations as a result of real estate sales in the City and increased transient occupancy tax revenue. Sales tax revenue for FY2019 included revenue that was due to the City for FY2018 but was delayed due to problems with the State of California's new reporting software. This delay resulted in a one-time increase in FY2019 as compared to FY2018.
- Other general revenues increased by \$1,068 as compared to the prior fiscal year primarily due increased investment earnings received and an increase in the market to cost valuation for investments held by the City.

## Expenses:

- General Government expenses decreased in FY2019 by 11% or \$450 from the prior fiscal year primarily due to decreased costs in the City's net OPEB liability and allocating the proportionate share of the net OPEB liability to the business-type activities cost centers beginning in FY2019.
- Public Safety increased by 5% or \$511 primarily due a \$562 increase in public safety's share of the increase in net pension liability as reported per GASB 68. The City's contract with the County of San Diego Sheriff's Department for law enforcement services also increased by \$233 or 6%.
- Community Development decreased by \$273 or 16% as compared to the previous fiscal year due to reduced costs in developer-pass through expenses of \$111, a \$112 reduction in net pension liability expense as reported per GASB 68 and a \$51 reduction in net OPEB liability expense as reported per GASB 75.
- Community Services increased \$447 or by 61% due to a payment made in FY2019 to the San Elijo Lagoon Conservancy for the acquisition, rezoning, permitting and construction of improvements proposed for the Harbaugh Trails property located at the northern end of the City from a grant that was received from the State of California Department of Transportation.

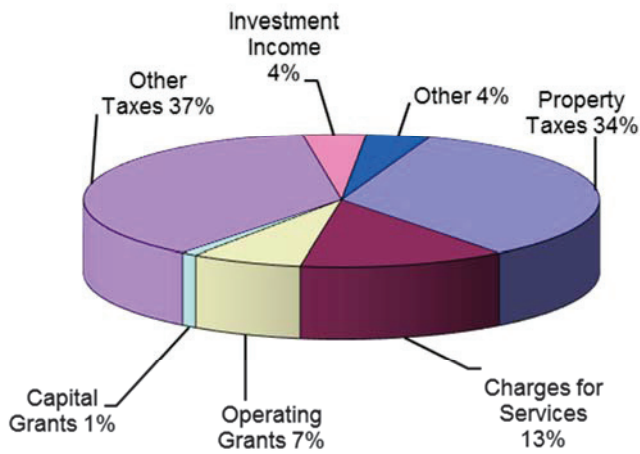
**Table 2**  
**City of Solana Beach Changes in Net Position**  
*(in Thousands)*

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,286	\$ 2,913	\$ 10,795	\$ 5,910	\$ 14,081	\$ 8,823
Operating grants and contributions	1,740	1,524	-	-	1,740	1,524
Capital grants and contributions	298	420	-	-	298	420
General revenues:						
Property taxes	9,070	8,587	-	-	9,070	8,587
Other taxes	9,861	8,913	-	-	9,861	8,913
Other	2,077	1,009	573	170	2,650	1,179
<b>Total revenues</b>	<u>26,332</u>	<u>23,366</u>	<u>11,368</u>	<u>6,080</u>	<u>37,700</u>	<u>29,446</u>
<b>Expenses:</b>						
General government	3,651	4,101	-	-	3,651	4,101
Public safety	11,051	10,540	-	-	11,051	10,540
Public works	5,937	5,944	-	-	5,937	5,944
Community development	1,482	1,755	-	-	1,482	1,755
Community services	1,178	731	-	-	1,178	731
Interest and fiscal charges	369	382	-	-	369	382
Sanitation	-	-	4,204	2,100	4,204	2,100
Solana Energy	-	-	5,211	391	5,211	391
<b>Total expenses</b>	<u>23,668</u>	<u>23,453</u>	<u>9,415</u>	<u>2,491</u>	<u>33,083</u>	<u>25,944</u>
<b>Increase/(decrease) in net position</b>	2,664	(87)	1,953	3,589	4,617	3,502
<b>Net position - July 1</b>	34,060	36,827	42,651	39,062	76,711	75,889
<b>Net position restatement</b>	-	(2,680)	-	-	-	(2,680)
<b>Net position - June 30</b>	<u>\$ 36,724</u>	<u>\$ 34,060</u>	<u>\$ 44,604</u>	<u>\$ 42,651</u>	<u>\$ 81,328</u>	<u>\$ 76,711</u>

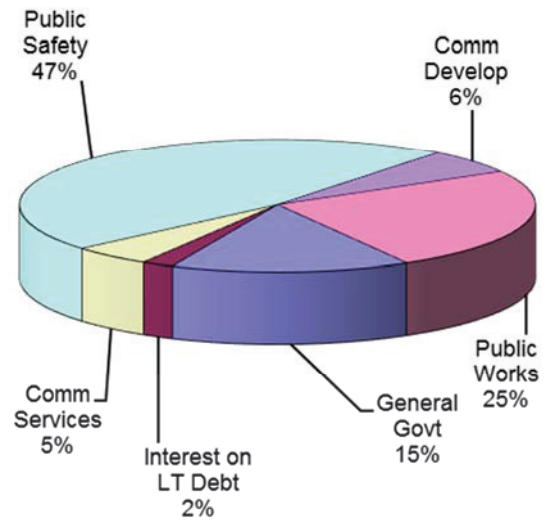
## Fiscal Year 2019 Governmental Activities

(Graphic representation of Table 2 in percentages)

### Sources of Revenue



### Program Expenses



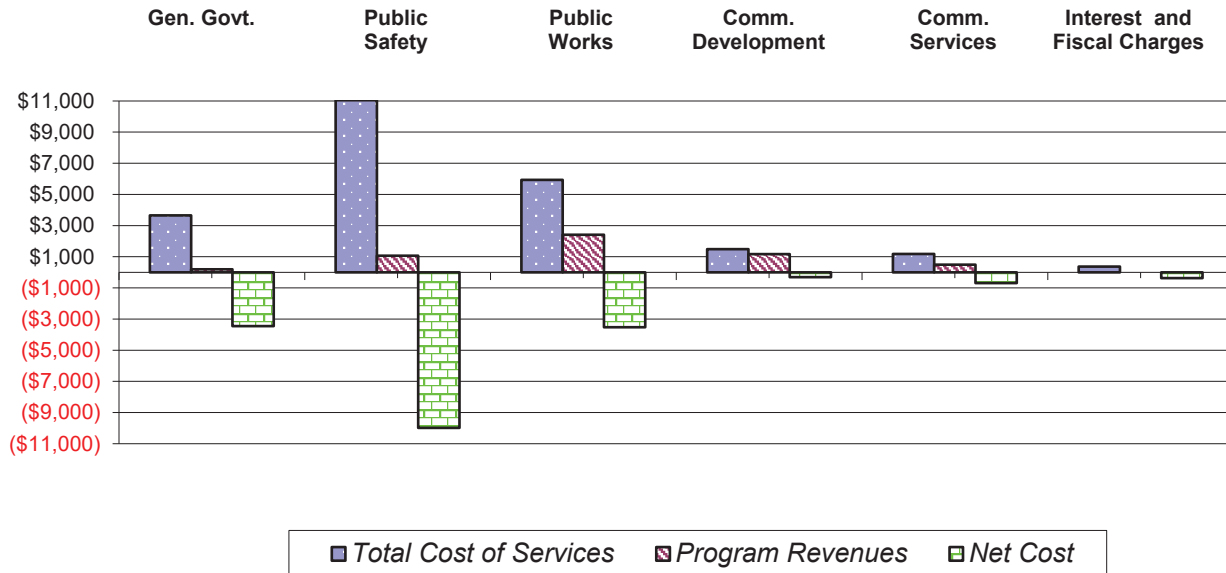
### Net Cost of Governmental Activities

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 on 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**  
*(in Thousands)*

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
General government	\$ 3,651	\$ 4,101	\$ 194	\$ -	\$ (3,457)	\$ (4,101)
Public safety	11,051	10,540	1,066	1,175	(9,985)	(9,365)
Public works	5,937	5,944	2,410	1,806	(3,527)	(4,138)
Community development	1,482	1,755	1,169	1,400	(313)	(355)
Community services	1,178	731	485	476	(693)	(255)
Interest on long-term debt	369	382	-	-	(369)	(382)
<b>Totals</b>	<b>\$ 23,668</b>	<b>\$ 23,453</b>	<b>\$ 5,324</b>	<b>\$ 4,857</b>	<b>\$ (18,344)</b>	<b>\$ (18,596)</b>

**Total Cost of Services, Program Revenues & Net Cost**  
**Governmental Activities**  
*(in Thousands)*



Total resources available during the year to finance governmental operations were \$60,392 consisting of a net position at July 1, 2018 of \$34,060, program revenues of \$5,324, and general revenues of \$21,008. Total governmental activities during the year were \$23,668, and as a result, net position increased by \$2,664 to \$36,724.

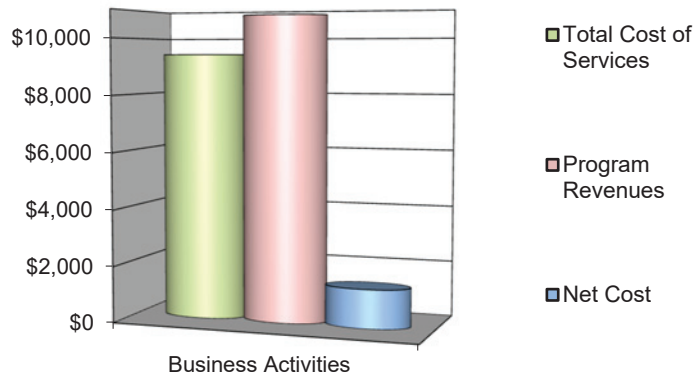
## Business Type Activities

Net position of the Proprietary Fund (Business Type activities) at June 30, 2019 as reflected in Table 1 was \$44,603. As shown in Table 3, amounts paid by users of the Sanitation system and Solana Energy Alliance and other operating revenue were \$10,794 while the cost of providing all Proprietary (Business Type) activities in FY2019 was \$9,415 resulting in a net gain of \$1,379. With the addition of non-operating revenues of \$573, as shown on Table 2, assets increased by \$1,952 or 4.6%.

**Table 3**  
**Net Cost of Business Activities**  
*(in Thousands)*

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
Sanitation	\$ 4,204	\$ 2,101	\$ 5,592	\$ 5,416	\$ 1,388	\$ 3,315
Solana Energy Alliance	5,211	390	5,202	494	(9)	-
<b>Total Business Activities</b>	<b>\$ 9,415</b>	<b>\$ 2,491</b>	<b>\$ 10,794</b>	<b>\$ 5,910</b>	<b>\$ 1,379</b>	<b>\$ 3,315</b>

**Fiscal Year 2019**  
**Total Cost of Services, Program Revenues & Net Cost**  
**Business Activities (in thousands)**



## General Fund Budgetary Highlights

The final expenditures for the City's General Fund at year-end were \$690 less than actual appropriations prior to other financing uses. The budget to actual variance in appropriations was principally due to 1) conservative estimates at quarter-year and mid-year by management; 2) expenditures for asset replacement appropriations being delayed to next fiscal year; and 3) lower than expected professional service costs across departments.

Actual revenues were \$1,145 greater than the final budget. Budget amendments and supplemental appropriations were made during the normal course of business to increase appropriations for unanticipated expenditures after adoption of the original budget. Significant supplemental appropriations were:

- \$2,800 in the Real Property Acquisition fund for the purchase of 700 Stevens Avenue. The property consists of three parcels of vacant land totaling approximately 28,978 square feet and is located immediately north of and adjacent to La Colonia Park.
- \$1,834 for transfers out to the City CIP fund for various CIP projects.
- \$946 to add funds to trusts established for Pension and Other Post-Employment Benefits (OPEB) liabilities in the amounts of \$323 and \$623, respectively, with Public Agency Retirement Services (PARS).
- \$185 for increased employee salaries and flex credit allowances per the FY2019 salary and compensation plan approved by the City Council after the annual budget had been adopted.
- \$143 increase in equipment and vehicles to cover the purchase of a new dump truck and Kubota tractor for the public works department and equipment for fire, marine safety, and human resources.
- \$183 increase in the City Clerk's budget to cover the costs of the special election held in May 2019.
- \$200 for Fire department overtime.

Significant budgetary variations between certain departments' final amended budget versus actual for the General Fund were:

- Manager: costs for the City Manager's professional services and contingency expenditure accounts were \$60 lower than anticipated in FY2019.
- Personnel: regular salaries, retirement, and flex credit benefits were under spent by a combined total of \$48 due in part to vacancies in the City Clerk, Human Resources, Information Systems, Fire, and Engineering departments.

- Human Resources: unemployment benefit payments were lower than expected and professional services contracts were moved to the following fiscal year.
- Street and other public works: savings were realized in professional services due to lower than anticipated use for outside contractors in environmental services, street maintenance, traffic safety, and park maintenance.
- Capital Outlay: amounts were budgeted for City Clerk, Planning and Finance department software and Public Works vehicles and equipment that was to be purchased in FY2019. These expenditures were delayed until the following fiscal year.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

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

At June 30, 2019, net capital assets of the governmental activities totaled \$36,223 and the net capital assets of the business-type activities totaled \$15,763. Depreciation on capital assets is recognized in the government-wide financial statements. (See Table 4 and Note 5 to the financial statements.)

The City's five-year Capital Improvement Plan projects to spend \$19,717 through FY2024. Over the next five years, funding will come from current fund balances and revenues such as Gas Tax and TransNet. Significant projects are rebuilding the Solana Beach Pump Station, La Colonia Park Tot Lot Improvements, Lomas Santa Fe Drive Corridor Improvements, Marine Safety Center Renovations, and ongoing pavement management, traffic calming, and storm drain and sewer pipeline improvements and replacement projects.



**Table 4**  
**City of Solana Beach Capital Assets at Year-End**  
**(Net of Depreciation)**  
*(In Thousands)*

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 5,337	\$ 2,538	\$ 112	\$ 112	\$ 5,449	\$ 2,650
Buildings & Improvements	10,308	10,552	12,381	12,426	22,689	21,798
Equipment & Vehicles	1,137	1,309	297	331	1,434	1,443
Infrastructure	16,650	18,675	-	-	16,650	22,058
Work in Progress	2,791	1,296	2,973	944	5,764	3,005
	<u>\$ 36,223</u>	<u>\$ 34,370</u>	<u>\$ 15,763</u>	<u>\$ 13,813</u>	<u>\$ 51,986</u>	<u>\$ 50,954</u>

## Debt

At year-end, the City had \$8,214 in governmental type debt and \$18,089 in proprietary debt (including premium on debt issuance) totaling \$26,303. This debt is a liability of the government and amounts to \$1,888 per capita.

See Table 5 and Notes 6 through 8 and Note 10 to the financial statements for detailed descriptions.

**Table 5**  
**City of Solana Beach Outstanding Debt at Year-End**  
*(In Thousands)*

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Refunding lease	\$ 561	\$ 690	\$ -	\$ -	\$ 561	\$ 690
Capital leases	769	944	-	-	769	944
SEJPA Loan Payable-2011	-	-	117	869	117	869
SEJPA Loan Payable-2017	-	-	11,057	11,057	11,057	11,057
Sewer Revenue Bond-2006	-	-	-	-	-	-
2017 Wastewater Refunding Bond	-	-	6,385	6,655	6,385	6,655
TransNet Bond	5,500	5,500	-	-	5,500	5,500
Bond premiums	-	-	506	566	506	566
Bond discounts	(4)	(5)	-	-	(4)	(5)
Claims and judgements	994	1,026	-	-	994	1,026
Compensated absences	394	367	51	47	445	414
	<u>\$ 8,214</u>	<u>\$ 8,522</u>	<u>\$ 18,116</u>	<u>\$ 19,194</u>	<u>\$ 26,330</u>	<u>\$ 27,716</u>

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In June 2019, the City Council adopted a two-year budget for fiscal years ending June 30, 2020 and June 30, 2021.

In considering the City Budget for the two fiscal years, the focus of the City Council and management was to adopt balanced budgets and promote fiscal sustainability. Budget decisions were made with the understanding that, although the current economic climate was markedly improved, the City's growth rate for certain revenues was still uneven and uncertain and that the rate of any expenditure cost increase needed 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.

The result at the time of the budget adoption was that no new programs or services were added to the FY2020 budget. Departments were asked to prepare budgets with no change in their materials, supplies, and services categories and any requests for new monies needed to be justified.

Salary increases of 2.5% and cafeteria benefits increases of 5% were provided to marine safety and miscellaneous regular employees as called for in their memorandum of understandings (MOU) with the City. Unrepresented regular employees received the same increases. The City's fire department employees received salary increases of 2.5% and no increase was received for their cafeteria benefits as outlined in their MOU.

The adopted budget for FY2020 and FY2021 reflected projected surpluses in the General Fund of \$64,400 and \$74,000, respectively.

While fiscal sustainability included focusing on the expenditure side of the budget, in the coming fiscal year, City staff will be tasked with developing increased revenue sources to help broaden the revenue base needed by the City for its short and long-term needs.

Overall, the budget anticipates that local tax revenues to the City next year will increase based upon the economic activity in the California economy, including property taxes, which are projected to increase in FY2020 by 7.8% as compared to the FY2019 adopted budget. Transient occupancy tax is expected to increase by 2.9% and sales tax is expected to remain flat as compared to the previous fiscal year's adopted budget. Overall, the General Fund adopted operating expenditures for FY2020 are budgeted to increase approximately 10.4% as compared to the previous fiscal year's adopted budget. The CIP budget was set to be \$2,324 for the upcoming year.

## **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: <http://www.ci.solana-beach.ca.us>.

# **BASIC FINANCIAL STATEMENTS**

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2019

(With comparative totals for June 30, 2018)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2019	2018
<b>Assets:</b>				
Cash and investments	\$ 27,722,276	10,318,810	\$ 38,041,086	\$ 40,128,844
Receivables:				
Accounts, net	403,029	867,520	1,270,549	909,174
Taxes	1,043,765	-	1,043,765	956,775
Interest	120,303	120,094	240,397	151,502
Prepaid costs	23,402	1,691	25,093	101,916
Deposits	-	100,000	100,000	-
Due from other governments	338,228	165,610	503,838	208,815
Internal balances	(2,642,811)	2,642,811	-	-
Restricted assets:				
Cash and investments	-	49	49	54
Cash and investments with fiscal agent	1,744,718	-	1,744,718	1,294,957
Capital assets not being depreciated	8,128,569	3,084,511	11,213,080	4,889,380
Capital assets, net of depreciation	28,094,460	12,678,411	40,772,871	43,293,485
Investment in joint venture	-	34,540,199	34,540,199	34,289,455
<b>Total Assets</b>	<b>64,975,939</b>	<b>64,519,706</b>	<b>129,495,645</b>	<b>126,224,357</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	-	137,294	137,294	205,941
Deferred outflows related to pensions	3,337,044	216,350	3,553,394	4,203,914
<b>Total Deferred Outflows of Resources</b>	<b>3,337,044</b>	<b>353,644</b>	<b>3,690,688</b>	<b>4,409,855</b>
<b>Liabilities:</b>				
Accounts payable	2,048,041	767,388	2,815,429	2,326,494
Accrued liabilities	333,638	35,179	368,817	198,608
Accrued interest	5,763	226,526	232,289	252,095
Unearned revenue	321,084	-	321,084	460,202
Deposits payable	2,739,837	-	2,739,837	3,614,311
Compensated absences, due within one year	302,123	24,594	326,717	308,136
Capital leases, due within one year	178,905	-	178,905	174,171
Claims payable, due within one year	248,500	-	248,500	129,614
Bonds and loans payable, due within one year	137,600	555,000	692,600	1,150,954
Noncurrent liabilities:				
Compensated absences	91,602	26,808	118,410	106,665
Capital leases	590,421	-	590,421	769,325
Claims payable	745,500	-	745,500	896,386
Bonds and loans payable	5,919,225	17,509,945	23,429,170	24,181,517
Net pension liability	13,250,932	810,742	14,061,674	14,011,833
Net other post-employment benefit liability	2,998,536	204,456	3,202,992	4,454,874
<b>Total Liabilities</b>	<b>29,911,707</b>	<b>20,160,638</b>	<b>50,072,345</b>	<b>53,035,185</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	614,102	36,896	650,998	679,087
Deferred inflows related to other post-employment benefits	1,062,973	72,479	1,135,452	208,696
<b>Total Deferred Inflows of Resources</b>	<b>1,677,075</b>	<b>109,375</b>	<b>1,786,450</b>	<b>887,783</b>
<b>Net Position:</b>				
Net investment in capital assets	29,396,878	8,892,771	38,289,649	33,170,339
Restricted:				
Redevelopment activities	1,297,725	-	1,297,725	972,507
Public safety	641,903	-	641,903	479,924
Parks and recreation	-	-	-	71,128
Public works	3,485,107	-	3,485,107	3,143,823
Capital projects	4,045,008	-	4,045,008	3,151,863
Debt service	25,094	49	25,143	25,033
Pensions	1,743,908	-	1,743,908	1,294,957
Unrestricted	(3,911,422)	35,710,517	31,799,095	34,401,670
<b>Total Net Position</b>	<b>\$ 36,724,201</b>	<b>\$ 44,603,337</b>	<b>\$ 81,327,538</b>	<b>\$ 76,711,244</b>

The notes to financial statements are an integral part of this statement.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 3,650,982	\$ 194,122	\$ -	\$ -
Public safety	11,050,684	581,313	186,145	298,205
Community development	1,482,428	1,169,232	-	-
Community services	1,178,128	335,828	148,747	-
Public works	5,937,131	1,005,828	1,404,721	-
Interest on long-term debt	368,495	-	-	-
Total Governmental Activities	23,667,848	3,286,323	1,739,613	298,205
Business-Type Activities:				
Sanitation Fund	4,204,504	5,592,045	-	-
Solana Energy Alliance Fund	5,210,816	5,202,375	-	-
Total Business-Type Activities	9,415,320	10,794,420	-	-
<b>Total Primary Government</b>	<b>\$ 33,083,168</b>	<b>\$ 14,080,743</b>	<b>\$ 1,739,613</b>	<b>\$ 298,205</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Use of money and property

Other

**Total General Revenues**

Change in Net Position

Net Position at the Beginning of the Year

**Net Position at the End of the Year**



**Net (Expenses) Revenues and Changes in Net Position**

**Primary Government**

Governmental Activities	Business-Type Activities	Total	
		2019	2018
\$ (3,456,860)	\$ -	\$ (3,456,860)	\$ (4,101,140)
(9,985,021)	-	(9,985,021)	(9,364,379)
(313,196)	-	(313,196)	(354,499)
(693,553)	-	(693,553)	(255,150)
(3,526,582)	-	(3,526,582)	(4,138,797)
(368,495)	-	(368,495)	(381,634)
<u>(18,343,707)</u>	<u>-</u>	<u>(18,343,707)</u>	<u>(18,595,599)</u>
-	1,387,541	1,387,541	3,315,434
-	(8,441)	(8,441)	103,774
-	1,379,100	1,379,100	3,419,208
<b><u>(18,343,707)</u></b>	<b><u>1,379,100</u></b>	<b><u>(16,964,607)</u></b>	<b><u>(15,176,391)</u></b>
9,070,200	-	9,070,200	8,586,838
3,502,561	-	3,502,561	3,191,410
2,019,005	-	2,019,005	1,827,753
792,575	-	792,575	723,164
3,547,175	-	3,547,175	3,170,331
1,100,795	557,179	1,657,974	368,496
975,510	15,901	991,411	810,425
<b><u>21,007,821</u></b>	<b><u>573,080</u></b>	<b><u>21,580,901</u></b>	<b><u>18,678,417</u></b>
2,664,114	1,952,180	4,616,294	3,502,026
34,060,087	42,651,157	76,711,244	73,209,218
<b><u>\$ 36,724,201</u></b>	<b><u>\$ 44,603,337</u></b>	<b><u>\$ 81,327,538</u></b>	<b><u>\$ 76,711,244</u></b>

The notes to financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **FUND FINANCIAL STATEMENTS**

---

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

---

CITY OF SOLANA BEACH, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

(With comparative totals for June 30, 2018)

	<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>
	<u>General</u>	<u>TransNet</u>	<u>City CIP</u>
<b>Assets:</b>			
Cash and investments	\$ 17,406,859	\$ 75,710	\$ 3,183,001
Receivables:			
Accounts	356,891	-	-
Taxes	984,386	-	-
Accrued interest	90,408	-	4,611
Prepaid costs	23,402	-	-
Due from other governments	146,569	-	-
Due from other funds	271,877	-	31,171
Restricted cash and investments with fiscal agents	1,744,718	-	-
<b>Total Assets</b>	<b>\$ 21,025,110</b>	<b>\$ 75,710</b>	<b>\$ 3,218,783</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,362,039	\$ 52,516	\$ 374,929
Accrued liabilities	297,339	-	15,960
Unearned revenues	-	-	-
Deposits payable	2,665,884	-	4,727
Due to other funds	-	-	-
Advances from other funds	2,800,000	-	-
<b>Total Liabilities</b>	<b>7,125,262</b>	<b>52,516</b>	<b>395,616</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	66,569	-	-
<b>Total Deferred Inflows of Resources</b>	<b>66,569</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	23,402	-	-
Restricted	1,743,908	23,194	2,823,167
Committed	1,436,307	-	-
Assigned	6,041,593	-	-
Unassigned	4,588,069	-	-
<b>Total Fund Balances</b>	<b>13,833,279</b>	<b>23,194</b>	<b>2,823,167</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 21,025,110</b>	<b>\$ 75,710</b>	<b>\$ 3,218,783</b>

The notes to financial statements are an integral part of this statement.

CITY OF SOLANA BEACH, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

(With comparative totals for June 30, 2018)

	Other Governmental Funds	Total Governmental Funds	
		2019	2018
<b>Assets:</b>			
Cash and investments	\$ 7,056,706	\$ 27,722,276	\$ 26,087,810
Receivables:			
Accounts	46,138	403,029	315,153
Taxes	59,379	1,043,765	913,841
Accrued interest	25,284	120,303	100,138
Prepaid costs	-	23,402	72,779
Due from other governments	191,659	338,228	208,815
Due from other funds	-	303,048	375,914
Restricted cash and investments with fiscal agents	-	1,744,718	1,294,957
<b>Total Assets</b>	<b>\$ 7,379,166</b>	<b>\$ 31,698,769</b>	<b>\$ 29,369,407</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 258,557	\$ 2,048,041	\$ 1,686,814
Accrued liabilities	20,339	333,638	189,219
Unearned revenues	321,084	321,084	460,202
Deposits payable	69,226	2,739,837	3,614,311
Due to other funds	145,859	145,859	234,610
Advances from other funds	-	2,800,000	-
<b>Total Liabilities</b>	<b>815,065</b>	<b>8,388,459</b>	<b>6,185,156</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	28,221	94,790	-
<b>Total Deferred Inflows of Resources</b>	<b>28,221</b>	<b>94,790</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	-	23,402	72,779
Restricted	6,648,476	11,238,745	9,139,181
Committed	-	1,436,307	1,015,354
Assigned	-	6,041,593	5,805,890
Unassigned	(112,596)	4,475,473	7,151,047
<b>Total Fund Balances</b>	<b>6,535,880</b>	<b>23,215,520</b>	<b>23,184,251</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,379,166</b>	<b>\$ 31,698,769</b>	<b>\$ 29,369,407</b>

The notes to financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**



CITY OF SOLANA BEACH, CALIFORNIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

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

Total fund balances - governmental funds		\$ 23,215,520
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		36,223,029
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Limited Tax Bonds 2010A Series	\$ (5,500,000)	
Lease revenue bond - ABAG	(560,600)	
Unamortized bond discount - ABAG	3,775	
Capital lease obligations	(769,326)	
Claims and judgments	(994,000)	
Compensated absences	<u>(393,725)</u>	(8,213,876)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(5,763)
Governmental funds report all pension contributions as expenditures; however, in the statement of activities, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(13,250,932)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	1,294,854	
Changes in assumptions	1,285,377	
Difference between expected and actual experiences	333,997	
Net difference between projected and actual earnings on plan investments	77,243	
Adjustments due to differences in proportions	<u>345,573</u>	3,337,044
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(222,628)	
Difference between expected and actual experiences	(51,854)	
Adjustments due to differences in proportions	(38,686)	
Difference in proportionate share	<u>(300,934)</u>	(614,102)
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the total other post-employment benefits liability over the plan fiduciary net position is reported as a net other post-employment benefits liability.		(2,998,536)
Other post-employment benefits related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(1,057,701)	
Net difference between projected and actual earnings on plan investments	<u>(5,272)</u>	(1,062,973)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		<u>94,790</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 36,724,201</u></b>

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)

	<u>Special</u>		<u>Capital</u>
	<u>Revenue Fund</u>	<u>Projects Fund</u>	
	<u>General</u>	<u>TransNet</u>	<u>City CIP</u>
<b>Revenues:</b>			
Taxes and assessments	\$ 15,015,549	\$ -	\$ -
Licenses, permits and fees	440,510	46,381	-
Intergovernmental	1,952,837	544,505	537,081
Charges for services	953,305	-	393,615
Use of money and property	822,401	-	63,091
Fines and forfeitures	502,249	-	-
Other revenues	884,094	-	51,538
<b>Total Revenues</b>	<b><u>20,570,945</u></b>	<b><u>590,886</u></b>	<b><u>1,045,325</u></b>
<b>Expenditures:</b>			
Current:			
General government	4,139,846	-	1,668
Public safety	9,417,894	-	41,636
Public works	2,020,973	-	3,683
Community development	1,097,517	-	5,133
Community services	224,587	-	537,081
Capital outlay	2,900,137	205,581	1,582,109
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	325,105	-
<b>Total Expenditures</b>	<b><u>19,800,954</u></b>	<b><u>530,686</u></b>	<b><u>2,171,310</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	769,991	60,200	(1,125,985)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	2,113,900
Transfers out	(2,511,228)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>(2,511,228)</u></b>	<b><u>-</u></b>	<b><u>2,113,900</u></b>
Net Change in Fund Balances	(1,741,237)	60,200	987,915
Fund Balances (Deficits) at the Beginning of the Year	15,574,516	(37,006)	1,835,252
<b>Fund Balances at the End of the Year</b>	<b><u>\$ 13,833,279</u></b>	<b><u>\$ 23,194</u></b>	<b><u>\$ 2,823,167</u></b>

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)

	Other Governmental Funds	Total Governmental Funds	
		2019	2018
<b>Revenues:</b>			
Taxes and assessments	\$ 2,259,665	\$ 17,275,214	\$ 15,945,223
Licenses, permits and fees	-	486,891	508,549
Intergovernmental	631,476	3,665,899	3,498,266
Charges for services	883,694	2,230,614	1,584,561
Use of money and property	215,303	1,100,795	286,867
Fines and forfeitures	-	502,249	479,933
Other revenues	39,878	975,510	1,061,983
<b>Total Revenues</b>	<b>4,030,016</b>	<b>26,237,172</b>	<b>23,365,382</b>
<b>Expenditures:</b>			
Current:			
General government	49,862	4,191,376	3,820,029
Public safety	784,016	10,243,546	9,831,070
Public works	950,862	2,975,518	2,628,777
Community development	420,778	1,523,428	1,574,333
Community services	68,647	830,315	328,755
Capital outlay	1,075,403	5,763,230	2,417,383
Debt service:			
Principal retirement	303,971	303,971	296,366
Interest and fiscal charges	49,414	374,519	383,487
<b>Total Expenditures</b>	<b>3,702,953</b>	<b>26,205,903</b>	<b>21,280,200</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	327,063	31,269	2,085,182
<b>Other Financing Sources (Uses):</b>			
Transfers in	522,470	2,636,370	997,300
Transfers out	(125,142)	(2,636,370)	(997,300)
<b>Total Other Financing Sources (Uses)</b>	<b>397,328</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	724,391	31,269	2,085,182
Fund Balances (Deficits) at the Beginning of the Year	5,811,489	23,184,251	21,099,069
<b>Fund Balances at the End of the Year</b>	<b>\$ 6,535,880</b>	<b>\$ 23,215,520</b>	<b>\$ 23,184,251</b>

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, 2019**

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

Net change in fund balances - total governmental funds	\$	31,269
<p>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.</p>		
Capital outlay	\$	5,754,228
Depreciation		<u>(3,901,505)</u>
		1,852,723
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on 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.</p>		
Lease revenue bond - ABAG principal payments		129,800
Capital leases - principal payments		174,170
Amortization of lease revenue bond - ABAG discount		(1,066)
Change in compensated absences		(26,383)
Change in claims and judgments		<u>32,000</u>
		308,521
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.		7,090
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(232,340)
Other post-employment benefits obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		602,061
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the operating contributions and miscellaneous income in the statement of activities.		<u>94,790</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,664,114</u></b>

**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

---

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

(With comparative totals for June 30, 2018)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2019	2018
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 10,318,810	\$ -	\$ 10,318,810	\$ 14,041,034
Receivables:				
Accounts	70,819	796,701	867,520	594,021
Taxes	-	-	-	42,934
Interest	120,094	-	120,094	51,364
Prepaid costs	1,691	-	1,691	29,137
Deposits	-	100,000	100,000	-
Due from other governments	165,610	-	165,610	-
Restricted cash and investments	49	-	49	54
Total Current Assets	10,677,073	896,701	11,573,774	14,758,544
Noncurrent Assets:				
Advances to other funds	2,800,000	-	2,800,000	-
Investment in joint venture	34,540,199	-	34,540,199	34,289,455
Capital assets, not being depreciated	3,084,511	-	3,084,511	1,055,830
Capital assets, net of accumulated depreciation	12,678,411	-	12,678,411	12,756,729
Total Noncurrent Assets	53,103,121	-	53,103,121	48,102,014
<b>Total Assets</b>	<b>63,780,194</b>	<b>896,701</b>	<b>64,676,895</b>	<b>62,860,558</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	137,294	-	137,294	205,941
Deferred outflows related to pensions	172,144	44,206	216,350	81,669
Total Deferred Outflows of Resources	<b>309,438</b>	<b>44,206</b>	<b>353,644</b>	<b>287,610</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	335,839	431,549	767,388	639,680
Accrued liabilities	10,301	24,878	35,179	9,389
Interest payable	226,526	-	226,526	239,242
Due to other funds	-	157,189	157,189	141,304
Compensated absences, due within one year	24,594	-	24,594	28,376
Long-term debt, due within one year	555,000	-	555,000	1,021,154
Total Current Liabilities	1,152,260	613,616	1,765,876	2,079,145
Noncurrent Liabilities:				
Compensated absences	26,808	-	26,808	19,083
Long-term debt	17,509,945	-	17,509,945	18,125,758
Net other post-employment benefits liability	162,569	41,887	204,456	-
Net pension liability	645,073	165,669	810,742	257,119
Total Noncurrent Liabilities	18,344,395	207,556	18,551,951	18,401,960
<b>Total Liabilities</b>	<b>19,496,655</b>	<b>821,172</b>	<b>20,317,827</b>	<b>20,481,105</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows relating to pensions	29,356	7,540	36,896	15,906
Deferred inflows relating to other post-employment benefits	57,630	14,849	72,479	-
Total Deferred Inflows of Resources	<b>86,986</b>	<b>22,389</b>	<b>109,375</b>	<b>15,906</b>
<b>Net Position:</b>				
Net investment in capital assets	8,892,771	-	8,892,771	5,929,088
Restricted for debt service	49	-	49	54
Unrestricted	35,613,171	97,346	35,710,517	36,722,015
Total Net Position	<b>\$ 44,505,991</b>	<b>\$ 97,346</b>	<b>\$ 44,603,337</b>	<b>\$ 42,651,157</b>

The notes to financial statements are an integral part of this statement.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
JUNE 30, 2019  
(With comparative totals for June 30, 2018)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2019	2018
<b>Operating Revenues:</b>				
Charges for services	\$ 5,592,045	\$ 5,202,375	\$ 10,794,420	\$ 5,909,997
Miscellaneous Revenue	15,901	-	15,901	88,239
<b>Total Operating Revenues</b>	<b>5,607,946</b>	<b>5,202,375</b>	<b>10,810,321</b>	<b>5,998,236</b>
<b>Operating Expenses:</b>				
Cost of sales and services	2,111,713	5,139,300	7,251,013	2,637,205
Administration	1,103,141	71,516	1,174,657	381,153
Depreciation	423,531	-	423,531	383,902
<b>Total Operating Expenses</b>	<b>3,638,385</b>	<b>5,210,816</b>	<b>8,849,201</b>	<b>3,402,260</b>
Operating Income (Loss)	1,969,561	(8,441)	1,961,120	2,595,976
<b>Nonoperating Revenues (Expenses):</b>				
Interest income	555,166	2,013	557,179	81,629
Interest expense	(705,008)	-	(705,008)	(776,017)
Amortization of bond premium/discount & refunding charge	(35,280)	-	(35,280)	(292,627)
Amortization of investment premium	(10,945)	-	(10,945)	(10,945)
Share in joint venture net gain/(loss)	185,114	-	185,114	1,991,060
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(10,953)</b>	<b>2,013</b>	<b>(8,940)</b>	<b>993,100</b>
Changes in Net Position	1,958,608	(6,428)	1,952,180	3,589,076
Net Position at the Beginning of the Year	42,547,383	103,774	42,651,157	39,062,081
<b>Net Position at the End of the Year</b>	<b>\$ 44,505,991</b>	<b>\$ 97,346</b>	<b>\$ 44,603,337</b>	<b>\$ 42,651,157</b>

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

JUNE 30, 2019

(With comparative totals for June 30, 2018)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2019	2018
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 5,514,541	\$ 4,799,605	\$ 10,314,146	\$ 5,418,193
Cash paid to suppliers for goods and services	(2,139,255)	(4,770,865)	(6,910,120)	(2,038,937)
Cash paid to employees for services	(566,939)	(46,857)	(613,796)	(552,536)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>2,808,347</b>	<b>(18,117)</b>	<b>2,790,230</b>	<b>2,826,720</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Proceeds from short-term interfund borrowings	-	15,885	15,885	806,768
Repayment made to other funds	(2,800,000)	-	(2,800,000)	-
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>(2,800,000)</b>	<b>15,885</b>	<b>(2,784,115)</b>	<b>806,768</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(2,373,894)	-	(2,373,894)	(956,179)
Principal paid on capital debt	(1,081,967)	-	(1,081,967)	(1,084,159)
Interest paid on capital debt	(695,521)	-	(695,521)	(904,384)
Proceeds from capital debt	-	-	-	7,324,984
Defeasance on debt	-	-	-	(7,525,000)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(4,151,382)</b>	<b>-</b>	<b>(4,151,382)</b>	<b>(3,144,738)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	486,436	2,013	488,449	67,363
Investment in joint venture	(65,630)	-	(65,630)	10,945
<b>Net Cash Provided by Investing Activities</b>	<b>420,806</b>	<b>2,013</b>	<b>422,819</b>	<b>78,308</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,722,229)	(219)	(3,722,448)	567,058
Cash and Cash Equivalents, July 1 (including \$54 for the Sanitation Fund Reported for Restricted Accounts)	14,041,088	219	14,041,307	13,474,030
<b>Cash and Cash Equivalents, June 30 (Including \$49 for the Sanitation Fund Reported in Restricted Accounts)</b>	<b>\$ 10,318,859</b>	<b>\$ -</b>	<b>\$ 10,318,859</b>	<b>\$ 14,041,088</b>

The notes to financial statements are an integral part of this statement.



CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

JUNE 30, 2019

(With comparative totals for June 30, 2018)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2019	2018
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ 1,969,561	\$ (8,441)	\$ 1,961,120	\$ 2,595,976
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	423,531	-	423,531	383,902
(Increase) decrease in accounts receivable	72,205	(302,770)	(230,565)	(580,043)
(Increase) in deposits receivable	-	(100,000)	(100,000)	-
(Increase) in due from other governments	(165,610)	-	(165,610)	-
Decrease in prepaid expense	27,446	-	27,446	845
Increase (decrease) in accounts payable	(54,988)	182,696	127,708	597,423
(Decrease) in accrued liabilities	1,131	24,659	25,790	1,340
Increase (decrease) in net pension liability	310,929	129,003	439,932	(181,646)
Increase in other post-employment benefits	220,199	56,736	276,935	-
Increase in compensated absences	3,943	-	3,943	8,923
Total Adjustments	838,786	(9,676)	829,110	230,744
Net Cash Provided by (Used for) Operating Activities	\$ 2,808,347	\$ (18,117)	\$ 2,790,230	\$ 2,826,720
<b>Schedule of Non-Cash Investing, Capital, and Financing Activities:</b>				
Amortization of bonds premium/discount	\$ 68,647	\$ -	\$ -	\$ -
Unrealized gain on investment in joint venture	185,114	-	185,114	1,991,060

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FIDUCIARY FUND  
FINANCIAL STATEMENTS**

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Agency Funds		OPEB Trust Fund		Private-Purpose Trust Successor Agency of the Former RDA	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Cash and investments	\$ 519,890	\$ 506,663	\$ -	\$ -	\$ 244,663	\$ 472,600
Receivables:						
Accounts	1,668	1,248	-	-	-	-
Taxes	5,049	2,771	-	-	-	-
Restricted assets:						
Cash	-	-	633,829	10,538	-	-
Mutual funds	-	-	-	340,743	-	-
Cash and investments with fiscal agents	-	-	-	-	198	60
<b>Total Assets</b>	<b>\$ 526,607</b>	<b>\$ 510,682</b>	<b>633,829</b>	<b>351,281</b>	<b>244,861</b>	<b>472,660</b>
<b>Liabilities:</b>						
Accounts payable	\$ 912	\$ 7	294	-	613	660
Accrued liabilities	-	-	-	-	1,104	2,981
Accrued interest	-	-	-	-	7,078	7,391
Due to bondholders	525,695	510,675	-	-	-	-
Long-term liabilities:						
Bonds payable, due in one year	-	-	-	-	116,900	112,000
Bonds payable, due in more than one year	-	-	-	-	2,410,800	2,527,700
<b>Total Liabilities</b>	<b>\$ 526,607</b>	<b>\$ 510,682</b>	<b>294</b>	<b>-</b>	<b>2,536,495</b>	<b>2,650,732</b>
<b>Net Position:</b>						
Restricted for other post-employment benefits			633,535	351,281	-	-
Held in trust for other purposes			-	-	(2,291,634)	(2,178,072)
<b>Total Net Position</b>			<b>\$ 633,535</b>	<b>\$ 351,281</b>	<b>\$ (2,291,634)</b>	<b>\$ (2,178,072)</b>

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	OPEB Trust Fund		Private-Purpose Trust Fund	
			Successor Agency of the Former RDA	
	2019	2018	2019	2018
<b>Additions:</b>				
Contributions:				
Employer contributions	\$ -	\$ 92,434	\$ -	\$ -
Plan members	253,516	-	-	-
Total contributions	253,516	92,434	-	-
Investment earnings:				
Interest	25,027	13,513	199	709
Net increase in the fair value of investments	6,490	6,892	-	-
Net investment earnings	31,517	20,405	199	709
Taxes	-	-	141,440	411,790
<b>Total Additions</b>	<b>285,033</b>	<b>112,839</b>	<b>141,639</b>	<b>412,499</b>
<b>Deductions:</b>				
Administrative expenses	2,779	2,612	159,942	159,672
Contractual services	-	-	7,795	4,778
Interest expense	-	-	87,464	222,036
<b>Total Deductions</b>	<b>2,779</b>	<b>2,612</b>	<b>255,201</b>	<b>386,486</b>
Changes in Net Position	282,254	110,227	(113,562)	26,013
Net Position at the Beginning of the Year	351,281	241,054	(2,178,072)	(2,204,085)
<b>Net Position at the End of the Year</b>	<b>\$ 633,535</b>	<b>\$ 351,281</b>	<b>\$ (2,291,634)</b>	<b>\$ (2,178,072)</b>

The notes to financial statements are an integral part of this statement.

# **NOTES TO BASIC FINANCIAL STATEMENTS**

---

**THIS PAGE INTENTIONALLY LEFT BLANK**



**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 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.

**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. The City has presented all major funds that met the applicable criteria.

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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 90 days after year-end) 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 fund:

*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.

*TransNet Special Revenue Fund* - accounts for revenues received and expenditures made related to transportation development, transit and related studies. Funding is provided to the City as a secondary recipient under agreement with the County of San Diego and with San Diego Association of Governments (SANDAG).

*City 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.

**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 fund:

*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 the cost 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 Net Position and a Statement of Changes in Net Position. The City's fiduciary funds include agency funds, an OPEB trust fund and one private-purpose trust fund. Agency funds are used to account for collections received from special assessment districts and their disbursement to bondholders. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Spending of agency fund resources is controlled primarily through legal agreements and applicable State and Federal laws. Agency funds are reported using the accrual basis of accounting.

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 OPEB and Private Purpose Trust Fund 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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**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.

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 as to change in interest rates.

**d. Restricted Cash and Investments**

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

**e. 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
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, street lights, signs and signals, park equipment, and storm drains. The appropriate operating department maintains information regarding the infrastructure assets.

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**f. 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 position or fund balance 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. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflows relating to the net pension obligation reported in the government-wide statement of net position and proprietary statement of net position. These outflows are the results of contributions made after the measurement period, which are recognized in the following year, and of adjustments due to difference in proportions, differences between expected and actual experiences, changes in assumptions, and the net difference between expected and actual earnings on plan investments. These amounts are deferred and amortized over the expected average remaining service lifetime or five years.

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 position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category which are deferred inflows related to the pensions and deferred inflows relating to other post-employment benefits reported in the government-wide statement of net position and proprietary statement of net position. These inflows are the result of the differences between employer's contributions and proportionate share of contributions, adjustment due to differences in proportions, differences between expected and actual experiences, and changes in assumptions. These amounts are deferred and amortized straight-line over the expected average remaining service lifetime.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**g. 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.

**h. Compensated Absences**

Government-Wide Financial Statements

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

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.

**i. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

**j. 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.

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, 2017
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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 5 years and all other amounts being recognized over the expected average remaining service lifetime (EARSL) of 6.3 years at June 30, 2019.

**k. 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.



**Note 1: Summary of Significant Accounting Policies (Continued)**

**I. 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.

**m. 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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**n. 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.

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.

**o. 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 property tax rate no more than 2% per year. The City receives a share of this basic levy.

**p. 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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

---

**Note 2: Stewardship, Compliance, and Accountability**

**a. Budgets**

The Boating and Waterways Fund and Miscellaneous Grants Fund did not adopt budgets. Therefore, no budgetary comparison schedule is presented as supplementary information.

**b. Deficit Fund Balances**

At June 30, 2019, the following funds had deficit fund balances:

Fund	Deficit
Special Revenue Funds	
Fire Mitigation Fund	\$ 17,710
Transportation Development Act Fund	28,221
CDBG Fund	15,573
Developer Pass Through Fund	87
CAMP Programs Fund	51,005

The deficits will be resolved through future fund revenue sources.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 3: Cash and Investments**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2019:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 27,722,276	\$ 10,318,810	\$ 764,553	\$ 38,805,639
Restricted cash and investments	-	49	633,829	633,878
Cash and investments with fiscal agent held by fiscal agents	1,744,718	-	198	1,744,916
<b>Total</b>	<b>\$ 29,466,994</b>	<b>\$ 10,318,859</b>	<b>\$ 1,398,580</b>	<b>\$ 41,184,433</b>

Cash and investments consisted of the following at June 30, 2019:

Cash:	
Cash on hand	\$ 400
Demand deposits	821,965
<b>Total cash</b>	<b>822,365</b>
Investments:	
Local Agency Investment Fund	6,473,519
Investments	31,510,002
Cash and investments held in PARS Section 115 Trust	2,378,547
<b>Total investments</b>	<b>40,362,068</b>
<b>Total cash and investments</b>	<b>\$ 41,184,433</b>

**a. Cash Deposits**

The carrying amounts of the City's cash deposits were \$821,965 at June 30, 2019. Bank balances were \$1,584,673 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 \$762,708 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 market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2019, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. For investments identified herein as held by fiscal agent, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the City.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**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	None	65,000,000
U.S. Treasury bills	Yes	5 years	None	25%
U.S. Treasury notes	Yes	5 years	None	25%
U.S. agency securities	Yes	5 years	None	25%
Banker's acceptances	Yes	180 days	25%	5%
Commercial paper	Yes	270 days	25%	10%
Non-Negotiable certificates of deposit	Yes	5 years	20%	5%
Negotiable certificates of deposit	Yes	5 years	30%	None
Certificate of Deposit Placement Services	Yes	5 years	30%	None
Collateralized Bank Deposits	Yes	1 year	None	None
Repurchase agreements	Yes	1 year	None	None
Medium-term notes	Yes	5 years	30%	5%
Mutual funds	Yes	5 years	20%	None
Money market mutual funds	Yes	5 years	20%	None
Asset backed security	Yes	5 years	20%	5%
Supranational	Yes	5 years	30%	10%
Local Agency Investment Fund (LAIF)	Yes	5 years	\$65,000,000	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 below 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 concentration of credit risk.

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	360 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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

**Note 3: Cash and Investments (Continued)****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 market 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.

	Fair Value	Remaining Investment Maturities		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Investments:				
Local Agency Investment Fund	\$ 6,473,519	\$ 6,473,519	\$ -	\$ -
US Treasury	9,161,060	2,507,507	448,578	6,204,975
U.S Government Agency Securities				
Federal Farm Credit Bank	7,078,815	1,477,345	-	5,601,470
Federal Home Loan Mortgage Corp	1,645,068	1,645,068	-	-
Federal National Mortgage Association	3,467,901	1,227,494	712,642	1,527,765
Medium Term Notes	5,793,621	2,820,840	2,463,711	509,070
Commercial Paper	1,572,668	151,569	-	1,421,099
Money Market	101,588	101,588	-	-
Negotiable CDs	481,459	481,459	-	-
Supranational	1,330,777	1,124,693	206,084	-
Asset Backed Security	876,797	3,399	38,601	834,797
Investments with fiscal agents:				
Money Market Mutual Funds	2,154,096	2,154,096	-	-
Cash Equivalent	224,699	224,699	-	-
<b>Total Investments</b>	<b>\$ 40,362,068</b>	<b>\$ 20,393,276</b>	<b>\$ 3,869,616</b>	<b>\$ 16,099,176</b>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 3: Cash and Investments (Continued)**

**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 on the City's investment policy and investing only in instruments that are most credit worthy. 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, 2019, for each investment type.

Investment Type	Total as of June 30, 2019	Minimum Legal Rating				
			A+ - A-	AA+ - AA-	AAA	Not Rated
<b>Investments:</b>						
Local Agency Investment Fund	\$ 6,473,519	N/A	\$ -	\$ -	\$ -	\$ 6,473,519
US Treasury	9,161,060	N/A	-	9,161,060	-	-
<b>U.S Government Agency Securities</b>						
Federal Farm Credit Bank	7,078,815	N/A	-	7,078,815	-	-
Federal Home Loan Mortgage Corp.	1,645,068	N/A	-	1,645,068	-	-
Federal National Mortgage Association	3,467,901	N/A	-	3,467,901	-	-
Medium Term Notes	5,793,621	A	5,339,272	149,712	304,637	-
Commercial Paper	1,572,668	A-1	402,412	1,170,256	-	-
Money Market	101,588	AAA	-	-	-	101,588
Negotiable CD	481,459	N/A	-	-	-	481,459
Supranational	1,330,777	AA	-	206,084	1,124,693	-
Asset Backed Security	876,797	AA	-	-	673,407	203,390
<b>Investments with Fiscal Agent</b>						
Money Market Mutual Fund	2,154,096	N/A	-	-	-	2,154,096
Cash Equivalent	224,699	N/A	-	-	-	224,699
<b>Total Investments</b>	<b>\$ 40,362,068</b>		<b>\$ 5,741,684</b>	<b>\$ 22,878,896</b>	<b>\$ 2,102,737</b>	<b>\$ 9,638,751</b>

**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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 3: Cash and Investments (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Issuer	Investment Type	Reported Amount	
Federal Farm Credit Banks	Federal agency securities	7,078,815	18%
Fannie Mae	Federal agency securities	67,901	9%

**Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Totals	Level 2	Uncategorized
Local Agency Investment Fund	\$ 6,473,519	\$ -	\$ 6,473,519
US Treasury	9,161,060	9,161,060	-
Federal Agencies	12,191,784	12,191,784	-
Medium Term Notes	5,793,621	5,793,621	-
Commercial Paper	1,572,668	1,572,668	-
Money Market	101,588	101,588	-
Negotiable	481,459	481,459	-
Supranational	1,330,777	1,330,777	-
Asset Backed Security	876,797	876,797	-
Investments with fiscal agents:			
Money Market Mutual Funds	2,154,096	2,154,096	-
Cash Equivalent	224,699	-	224,699
Total Investments	<u>\$ 40,362,068</u>	<u>\$ 33,663,850</u>	<u>\$ 6,698,218</u>

Certificates of Deposit, any local agency, and Registered Treasury Notes or Bonds of any other 49 States are classified in Level 2 of the fair value hierarchy are value using specified fair market value factors.



CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 4: Interfund Transactions**

**Due From and To Other Funds**

At June 30, 2019, the City had the following short-term interfund receivables and payables:

Due to other funds	Due from other funds		
	General Fund	City CIP	Total
Non-major Governmental Funds	145,859	-	145,859
Solana Energy Alliance	126,018	31,171	157,189
Total	<u>\$ 271,877</u>	<u>\$ 31,171</u>	<u>\$ 303,048</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. The General Fund and City CIP fund also provided a short-term borrowing of \$107,494 to the Solana Energy Alliance fund as part of the process of starting up the activities of that fund that will be paid back to the General Fund and City CIP fund by August 2019. The remaining amount due to the General Fund by Solana Energy Alliance of \$49,695 will be paid back to the General Fund in the fiscal year ended June 30, 2020.

**Interfund Transfers**

For the year ended June 30, 2019, the City had the following transfers:

Transfers Out	Transfers In		
	City CIP Fund	Non-Major Governmental Funds	Total
General Fund	\$ 2,113,900	\$ 397,328	\$ 2,511,228
Non-major governmental funds	-	125,142	125,142
	<u>\$ 2,113,900</u>	<u>\$ 522,470</u>	<u>\$ 2,636,370</u>

The most significant interfund transfers were from the General Fund to the City Capital Projects Fund for the City's construction project costs. With the non-major funds, transfers were made to various special revenue funds to public service and public works related costs, as well as debt service principal and interest payments on capital leases. During the fiscal year ended June 30, 2019, there were no significant interfund transfers that were not expected, budgeted for, unusual, nor of a non-routine nature.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

---

**Note 4: Interfund Transactions (Continued)**

**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 over the seven years of the loan will be as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 367,859	\$ 77,840	\$ 445,699
2021	378,085	67,614	445,699
2022	388,596	57,103	445,699
2023	399,399	46,300	445,699
2024	410,503	35,196	445,699
2025	421,914	23,785	445,699
2026	433,644	12,055	445,699
Total	\$ 2,800,000	\$ 319,893	\$ 3,119,893

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 5: Capital Assets**

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<b>Governmental Activities:</b>					
<i>Non-Depreciable Assets:</i>					
Land	\$ 2,537,440	\$ 2,800,000	\$ -	\$ -	\$ 5,337,440
Construction in progress	1,296,110	2,796,829	-	(1,301,810)	2,791,129
Total non-depreciable assets	<u>3,833,550</u>	<u>5,596,829</u>	<u>-</u>	<u>(1,301,810)</u>	<u>8,128,569</u>
<i>Depreciable Assets:</i>					
Buildings	6,016,915	-	-	-	6,016,915
Improvements	12,176,538	-	-	298,184	12,474,722
Equipment	2,209,601	65,099	-	-	2,274,700
Vehicles	2,443,545	58,555	34,583	-	2,467,517
Infrastructure	70,731,833	33,745	-	1,003,626	71,769,204
Total depreciable assets	<u>93,578,432</u>	<u>157,399</u>	<u>34,583</u>	<u>1,301,810</u>	<u>95,003,058</u>
<i>Less accumulated depreciation:</i>					
Buildings	(2,878,694)	(120,792)	-	-	(2,999,486)
Improvements	(4,762,368)	(422,367)	-	-	(5,184,735)
Equipment	(1,870,178)	(113,389)	-	-	(1,983,567)
Vehicles	(1,473,816)	(182,716)	34,583	-	(1,621,949)
Infrastructure	(52,056,620)	(3,062,241)	-	-	(55,118,861)
Total accumulated depreciation	<u>(63,041,676)</u>	<u>(3,901,505)</u>	<u>34,583</u>	<u>-</u>	<u>(66,908,598)</u>
Total depreciable assets, net	<u>30,536,756</u>	<u>(3,744,106)</u>	<u>69,166</u>	<u>1,301,810</u>	<u>28,094,460</u>
Total capital assets, net	<u>\$ 34,370,306</u>	<u>\$ 1,852,723</u>	<u>\$ 69,166</u>	<u>\$ -</u>	<u>\$ 36,223,029</u>

Governmental activities depreciation expense for capital assets for the year ended June 30, 2019, is as follows:

General Government	\$ 130,805
Public Safety	245,325
Public Works	3,107,059
Community Development	37,528
Community Services	380,788
Total depreciation expenses	<u>\$ 3,901,505</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

**Note 5: Capital Assets (Continued)**

	Balance June 30, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
<b>Business-Type Activities</b>					
<i>Non-Depreciable Assets:</i>					
Land	\$ 111,706	\$ -	\$ -	\$ -	\$ 111,706
Construction in progress	944,124	(343,761)	2,372,442	-	2,972,805
Total non-depreciable assets	1,055,830	(343,761)	2,372,442	-	3,084,511
<i>Depreciable Assets:</i>					
Building and improvements	18,964,628	343,761	1,452	-	19,309,841
Equipment	828,705	-	-	-	828,705
Total depreciable assets	19,793,333	343,761	1,452	-	20,138,546
<i>Less accumulated depreciation:</i>					
Building and improvements	(6,538,543)	-	(390,467)	-	(6,929,010)
Equipment	(498,061)	-	(33,064)	-	(531,125)
Total accumulated depreciation	(7,036,604)	-	(423,531)	-	(7,460,135)
Total depreciable assets, net	12,756,729	343,761	(422,079)	-	12,678,411
Total capital assets, net	\$ 13,812,559	\$ -	\$ 1,950,363	\$ -	\$ 15,762,922

Business-type activities depreciation expense for capital assets for the year ended June 30, 2019, is \$423,531

**Note 6: Compensated Absences**

The following is a summary of changes in compensated absences for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Governmental Activities	\$ 367,342	\$ 308,261	\$ 281,878	\$ 393,725	\$ 302,123
Business-Type Activities	47,459	26,650	22,707	51,402	24,594
Total	\$ 414,801	\$ 334,911	\$ 304,585	\$ 445,127	\$ 326,717

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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 7: Capital Lease Obligations**

The following is a summary of changes in governmental activities' capital lease obligations for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Energy Efficiency/Conservation Upgrades	\$ 565,930	\$ -	\$ 51,288	\$ 514,642	\$ 53,073
Fire Truck Lease	377,567	-	122,883	254,684	125,832
Total	\$ 943,497	\$ -	\$ 174,171	\$ 769,326	\$ 178,905

**a. Energy Efficiency/Conservation Upgrades**

On May 9, 2012, the City entered into a capital lease with Municipal Finance Corporation for various energy efficiency/conservation upgrades at City facilities. The lease was executed in the amount of \$818,696. Rental 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.

**b. Fire Truck Lease**

In 2016, the City entered into a capital lease with Municipal Finance Corporation for for a fire truck at the cost of \$614,759. Rental payments are due in annual installments of \$131,944 which includes interest at the rate of 2.40% per annum. Payments are due July of each year.

The debt requirements due under the terms of the leases as of June 30, 2019, are as follows:

Year Ending June 30,	Governmental Activities
2020	\$ 202,318
2021	202,318
2022	70,374
2023	70,374
2024	70,374
2025-2028	246,309
Total minimum lease payments	862,067
Less: amount representing interest	(92,741)
Present value of minimum lease payments	\$ 769,326

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 8: Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
Limited Tax Bonds 2010A Series	\$ 5,500,000	\$ -	\$ -	\$ 5,500,000	\$ -
Unamortized discount	(4,841)	-	(1,066)	(3,775)	-
Direct Placements:					
Lease Revenue Bonds - ABAG	690,400	-	129,800	560,600	137,600
Subtotal - Governmental Activities	6,185,559	-	128,734	6,056,825	137,600
<b>Business-Type Activities:</b>					
Bonds Payable:					
2017 Waste Water Refunding Bond	6,655,000	-	270,000	6,385,000	280,000
Unamortized premium	565,757	-	60,812	504,945	-
Direct Borrowings:					
SEJPA Loan Payable - 2011	868,655	-	751,155	117,500	57,500
SEJPA Loan Payable - 2017	11,057,500	-	-	11,057,500	217,500
Subtotal - Business Type Activities	19,146,912	-	1,081,967	18,064,945	555,000
Total Long-Term Debt	\$ 25,332,471	\$ -	\$ 1,210,701	\$ 24,121,770	\$ 692,600

**a. 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.

**Note 8: Long-Term Debt (Continued)**

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, 2019, is \$6,385,000.

**b. Direct Borrowings and Direct Placements**

Lease Revenue Bonds – ABAG

On January 10, 2002, the City issued \$3,465,000 of Series 2002 ABAG Lease Revenue Bonds to advance refund \$2,185,000 of the outstanding Certificates of Participation, Series 1992, and \$1,125,000 of the outstanding Certificates of Participation, Series 1995, establish a reserve account for the bonds, and to pay the cost of issuing the bonds.

On November 1, 2011, the City entered into a refunding lease agreement with Municipal Financial Corporation in the amount of \$1,388,300 to current refund the outstanding balance of the ABAG Lease Revenue Bonds, Series 2002 and to take advantage of historically low interest rates. The average savings are approximately \$21,258 per fiscal year with the net present value savings equal to \$185,245. The lease matures on December 1, 2022. Principal payments are due December 1<sup>st</sup> of each year with semi-annual interest rate at 3.40%. In the event of default, the City remains liable for the continued payment of debt service and damages for breach of the refunding lease agreement.

**Note 8: Long-Term Debt (Continued)**

San Elijo JPA Loan Payable - 2011

On March 1, 2012, the San Elijo Joint Powers Authority issued the 2012 Refunding Revenue Bonds to refund on a current basis the 2003 Refunding Revenue Bonds and prepaid a note to the California Energy Commission. Each local agency entered into a Third Amended and Restated Loan Agreement as of January 1, 2012 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 be paying approximately 52% and 48% 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 amended loan matures on March 1, 2021. The interest rates on the bonds range from 2.00% to 4.00% per year. The City of Solana Beach's portion of annual principal installments range from \$25,000 to \$751,155.

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.



CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 8: Long-Term Debt (Continued)**

**c. Annual Debt Service Requirements**

The annual debt service requirements to maturity on the City's long-term debts as of June 30, 2019, are as follows:

Year Ending June 30,	Governmental Activities			
	Bonds Payable		Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ -	\$ 325,105	\$ 137,600	\$ 16,721
2021	-	325,105	135,300	12,082
2022	-	325,105	142,700	7,356
2023	-	325,105	145,000	2,465
2024	-	325,105	-	-
2025-2029	-	1,625,525	-	-
2030-2034	-	1,625,525	-	-
2035-2039	581,280	1,618,705	-	-
2040-2044	2,612,169	1,156,552	-	-
2045-2049	2,306,551	332,822	-	-
<b>Total</b>	<b>\$ 5,500,000</b>	<b>\$ 7,984,654</b>	<b>\$ 560,600</b>	<b>\$ 38,624</b>

Year Ending June 30,	Business-Type Activities			
	Bonds Payable		Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$ 280,000	\$ 224,956	\$ 275,000	\$ 454,622
2021	285,000	216,556	285,000	446,573
2022	300,000	208,006	230,000	438,113
2023	305,000	199,006	237,500	431,213
2024	320,000	186,806	245,000	424,088
2025-2029	1,770,000	750,031	1,407,500	1,937,563
2030-2034	2,165,000	360,269	1,785,000	1,556,563
2035-2039	960,000	45,156	2,210,000	1,134,219
2040-2044	-	-	2,645,000	696,900
2045-2049	-	-	1,855,000	150,300
<b>Total</b>	<b>\$ 6,385,000</b>	<b>\$ 2,190,786</b>	<b>\$ 11,175,000</b>	<b>\$ 7,670,154</b>

**d. 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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 8: Long-Term Debt (Continued)**

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:

	2011 and 2017 JPA Loans	2017 Wastewater Bonds
Revenues:		
Operating revenues	\$ 5,592,045	\$ 5,592,045
Other operating	15,901	15,901
Non-operating	555,166	555,166
Gross revenues	<u>6,163,112</u>	<u>6,163,112</u>
Expenses:	<u>3,397,664</u>	<u>3,397,664</u>
Net Income	2,765,448	2,765,448
Add Back:		
Interest expense	705,008	705,008
Depreciation	423,531	423,531
Amortization of bond premium/discount & refunding	35,280	35,280
Amortization of investment in JPA	<u>10,945</u>	<u>10,945</u>
Net revenues available for debt service (2011 and 2017 JPA Loans)	<u>\$ 3,940,212</u>	<u>3,940,212</u>
2011 Refunding Revenue Bonds debt service:		
Principal repayment	\$ 751,154	751,154
Interest charges	33,280	33,280
2017 Refunding Revenue Bonds debt service:		
Principal repayment	-	-
Interest charges	<u>451,388</u>	<u>451,388</u>
Total debt service	<u>\$ 1,235,822</u>	<u>1,235,822</u>
Net revenues available for debt service (2017 Wastewater Bonds)		<u>\$ 2,704,390</u>
2017 Wastewater Bonds debt service:		
Principal repayment		\$ 270,000
Interest charges		<u>233,056</u>
Total debt service		<u>\$ 503,056</u>
<b>Coverage ratio</b>	<u><b>3.2</b></u>	<u><b>5.4</b></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

---

**Note 9: 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, 2019, were \$1,995,000.

**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, 2019, were \$435,000.

**Note 10: Risk Management**

**a. General Liability Insurance**

On June 30, 2015, the San Diego County Pooled Insurance Program Authority (SANDPIPA), a joint-powers authority (JPA) that provided liability, property and casualty coverage, of which the City was a member, was dissolved. As of July 1, 2015, the City acquired excess liability insurance directly from CSAC Excess Insurance Authority (EIA).

The City has a Self-Insured (SIR) of \$100,000 per claim and additional coverage above its SIR with CSAC - EIA to \$5 million per claim; there is an additional \$45 million of reinsurance above CSAC – EIA coverage bringing the total coverage to over \$50 million per claim. The CSAC – EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

**b. Workers' Compensation**

Beginning October 1, 2004, the City became fully self-insured with respect to Workers' Compensation. The City has a Self-Insured Retention (SIR) of \$125,000 per claim and additional coverage above its SIR with CSAC Excess Insurance Authority (EIA) to \$5 million per claim; there is an additional \$45 million of reinsurance above CSAC-EIA coverage bringing the total coverage to over \$50 million per claim, up to the statutory workers' compensation limits set by the State of California. The CSAC-EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 10: Risk Management (Continued)**

The workers' compensation and general liability claims payable of \$994,000 reported at June 30, 2019, 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
2016-2017	\$ 1,222,742	\$ 328,311	\$ (342,851)	\$ 1,208,202
2017-2018	1,208,202	(29,570)	(152,632)	1,026,000
2018-2019	1,026,000	142,144	(174,144)	994,000

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

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2019, is as follows:

Total assets	\$ 836,033,671
Total liabilities	<u>713,463,077</u>
Total net position	<u>\$ 122,570,594</u>
Total revenues	\$ 895,094,521
Total expenses	<u>906,849,821</u>
Revenues over Expenses	<u>\$ 11,755,300</u>

**Note 11: 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.

Benefits Provided

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 11: City Employees Retirement Plan - Pension Plans (Continued)**

Below is a summary of the plans' provisions and benefits in effect at June 30, 2019, for which the City of Solana Beach 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									
Benefit Formula	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
Social Security	no	no	no	no	no	no	no	no	no
Full/ Modified	full	full	full	full	full	full	full	full	full
Benefit vesting schedule	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs 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 % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%	3%	2.4% to 3.0%	2% to 2.7%	1.423% to 2.0%	1.423% to 2.0%	2.0% to 2.7%
Required employer contribution rates	10.609%	7.634%	6.842%	20.556%	15.719%	12.141%	20.556%	15.719%	12.141%
Required employee contribution rates	8.000%	7.000%	6.250%	9.000%	9.000%	12.000%	9.000%	9.000%	12.000%

\*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, 2019, the contributions recognized as a reduction to the net pension liability was \$1,178,475.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

---

Note 11: 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, 2019, the City of Solana Beach reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 5,177,151
Safety	8,884,523
Total	<u>\$ 14,061,674</u>

The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's 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, 2017 and 2018, respectively, was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	<u>Miscellaneous</u>
Proportion - June 30, 2017	0.05313%
Proportion - June 30, 2018	0.05550%
Change - Increase (Decrease)	<u>4.46076%</u>

Proportions as a percentage of the CalPERS Safety risk pool:

	<u>Safety</u>
Proportion - June 30, 2017	0.08816%
Proportion - June 30, 2018	0.09361%
Change - Increase (Decrease)	<u>6.18194%</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 11: City Employees Retirement Plan - Pension Plans (Continued)**

For the year ended June 30, 2019, the City of Solana Beach recognized pension expense as follows:

Miscellaneous	Safety	Total Plans
\$ 652,042	\$ 1,399,877	\$ 2,051,919

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Miscellaneous Plan</b>		
Pension contributions subsequent to measurement date	\$ 541,582	\$ -
Adjustment due to differences in proportions	109,242	-
Difference between expected and actual experience	178,247	60,656
Difference between actual contributions and the proportionate share of contributions	-	45,146
Changes in assumptions	529,623	129,800
Net difference between projected and actual earnings on plan investments	22,967	-
<b>Total Miscellaneous Plan</b>	<b>1,381,661</b>	<b>235,602</b>
<b>Safety Plan</b>		
Pension contributions subsequent to measurement date	838,065	-
Adjustment due to differences in proportions	253,438	38,686
Difference between expected and actual experience	183,664	697
Difference between actual contributions and the proportionate share of contributions	-	262,858
Changes in assumptions	838,693	113,155
Net difference between projected and actual earnings on plan investments	57,873	-
<b>Total Safety Plan</b>	<b>2,171,733</b>	<b>415,396</b>
<b>Total All Plans</b>	<b>\$ 3,553,394</b>	<b>\$ 650,998</b>

The \$1,379,647 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2020	\$ 495,587	\$ 753,065	\$ 1,248,652
2021	272,759	437,028	709,787
2022	(122,085)	(212,613)	(334,698)
2023	(41,785)	(59,207)	(100,992)
	<u>\$ 604,476</u>	<u>\$ 918,273</u>	<u>\$ 1,522,749</u>



**Note 11: City Employees Retirement Plan - Pension Plans (Continued)**

**c. Actuarial Methods and Assumptions**

Actuarial Assumptions

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method Actuarial Assumptions	Entry Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.00% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2017 experience study report on the CalPERS' website.

Change of Assumptions

On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuation. The minimum employer contributions for Fiscal Year 2019-20 determined in the June 30, 2017 funding valuation were calculated using a discount rate of 7.25 percent. The projected employer contributions for Fiscal Year 2020-21 are calculated assuming that the discount rate will be lowered to 7.00 percent next year.

On December 19, 2017, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumptions. These new assumptions are incorporated into the June 30, 2017 actuarial valuations. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation, an inflation rate of 2.625 percent will be used, and a rate of 2.50 percent will be used in the following valuation.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

---

**Note 11: City Employees Retirement Plan - Pension Plans (Continued)**Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 <sup>(1)</sup></b>	<b>Real Return Years 11+ <sup>(2)</sup></b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

**Note 11: City Employees Retirement Plan - Pension Plans (Continued)**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 (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

Plan Type	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	6.15%	7.15%	8.15%
Miscellaneous	\$ 7,993,731	\$ 5,177,151	\$ 2,852,112
Safety	13,313,550	8,884,523	5,255,728
Total	\$ 21,307,281	\$ 14,061,674	\$ 8,107,840

**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.

**Note 12: 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 (\$136 per month for 2019) 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, 2019, membership consisted of:

Inactive plan members or beneficiaries currently receiving benefit payments	46
Inactive plan members entitled to but not yet receiving benefit payments	11
Active plan members	70
	<u>127</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

---

**Note 12: Other Post-Employment Benefits (Continued)****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 5 years, 0.98 percent of payroll was contributed to the trust each year.

The City contributed \$484,191 during the 2019 fiscal year which consisted of \$165,901 of pay-as-you-go benefit payments, \$253,516 in contributions to the trust, and \$64,140 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, 2019	June 30, 2018
Total OPEB Liability (TOL)	\$ 3,836,527	\$ 4,806,155
Fiduciary Net Position (FNP)	633,535	351,281
Net OPEB Liability (NOL)	<u>\$ 3,202,992</u>	<u>\$ 4,454,874</u>
Funded Status (FNP/TOL)	16.5%	7.3%

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2019 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

## Actuarial Assumptions

Discount Rate	6.00% at June 30, 2019 3.82% at June 30, 2018 Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust with the City following the Funding policy for 2019/20 and thereafter
General Inflation	2.75% annually
Salary Increases	Aggregate - 3% annually Merit CalPERS 1997-2011 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Municipal Bond Rate	3.08% at June 30, 2019, Fidelity 20-Year (AAA) 3.56% at June 30, 2018, Fidelity 20-Year (AAA)
Expected Long-Term	6.00% at June 30, 2019 and June 30, 2018

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**Note 12: Other Post-Employment Benefits (Continued)****f. Change in Assumptions**

Discount rate was updated based on municipal bond rate as of the measurement date and crossover test.

**g. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.00%. Expected City contributions are projected to keep sufficient plan assets to pay all benefits from the trust with the City following the funding policy for fiscal year 2019-20 and thereafter.

**h. Changes in the OPEB Liability**

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 4,806,155	\$ 351,281	\$ 4,454,874
Changes for the year			
Service Cost	218,793	-	218,793
Interest	187,559	-	187,559
Assumption changes	(1,145,939)	-	(1,145,939)
Contributions - employer	-	484,191	(484,191)
Net investment income	-	27,769	(27,769)
Benefit payments*	(230,041)	(227,210)	(2,831)
Administrative Expenses	-	(2,496)	2,496
Net changes	<u>(969,628)</u>	<u>282,254</u>	<u>(1,251,882)</u>
Balance at June 30, 2019	<u>\$ 3,836,527</u>	<u>\$ 633,535</u>	<u>\$ 3,202,992</u>

\*Benefit payments include an implied subsidy of \$64,140 for the measurement date June 30, 2019

**i. 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 (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability	\$ 3,664,594	\$ 3,202,992	\$ 2,822,575

**j. 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	\$ 2,886,408	\$ 3,202,992	\$ 3,657,644

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 12: Other Post-Employment Benefits (Continued)**

**k. OPEB Plan Fiduciary Net Position**

PARS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, California 92660.

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$602,061. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 1,129,821
Net difference between projected and actual earnings on plan investments	-	5,631
Total	<u>\$ -</u>	<u>\$ 1,135,452</u>

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

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	(222,128)
2021	(222,128)
2022	(222,130)
2023	(221,037)
2024	(193,460)
Thereafter	(54,569)

**CITY OF SOLANA BEACH, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

---

**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, 2019, is as follows:

Operating revenues	\$ 7,750,330
Operating expenses	(8,599,404)
Net non-operating income	1,219,301
Capital contributions	<u>153,514</u>
Change in net position	<u>\$ 523,741</u>
Total assets and deferred outflows of resources	\$ 102,821,407
Total liabilities and deferred inflows of resources	<u>(33,955,862)</u>
Net position- total fund equity	<u>\$ 68,865,545</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, 2019, is as follows:

Investment at June 30, 2018	\$ 34,289,455
Capital contribution	76,757
Current year share in the joint venture net income	185,114
Amortization of JPA	<u>(11,127)</u>
Investment at June 30, 2019	<u>\$ 34,540,199</u>

At June 30, 2019, the SEJPA had \$294,886 in 2012 Refunding Revenue Bonds outstanding. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

---

**Note 14: 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**

Construction Commitments

The following material construction commitments existed at June 30, 2019:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures as of June 30, 2019</u>	<u>Remaining Commitments</u>
Pump Station	\$ 4,652,723	\$ 1,580,230	\$ 3,072,493
LSF Corridor	616,050	148,530	467,520
Emergency Drain Repair	750,000	516,386	233,614
	<u>\$ 6,018,773</u>	<u>\$ 2,245,146</u>	<u>\$ 3,773,627</u>

**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.



CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 15: 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.

Fund Name	General	TransNet	City CIP	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$ 23,402	\$ -	\$ -	\$ -	\$ 23,402
Total Nonspendable	23,402	-	-	-	23,402
Restricted:					
Transnet	-	23,194	-	-	23,194
Pensions	1,743,908	-	-	-	1,743,908
Gas tax	-	-	-	152,517	152,517
Municipal Improvement Districts	-	-	-	1,019,335	1,019,335
Assessment Districts	-	-	-	120,369	120,369
Lighting District	-	-	-	2,465,772	2,465,772
COPS	-	-	-	262,067	262,067
Public Safety	-	-	-	318,520	318,520
Coastal area business/ Visitor assistance & Enhancement	-	-	-	673,872	673,872
Sand Replenishment	-	-	-	782,864	782,864
Boating and Waterways	-	-	-	61,316	61,316
Miscellaneous grants	-	-	-	6,098	6,098
Housing	-	-	-	623,853	623,853
SB1 streets & roads	-	-	-	136,799	136,799
Capital projects	-	-	2,823,167	-	2,823,167
Debt Service	-	-	-	25,094	25,094
Total Restricted	1,743,908	23,194	2,823,167	6,648,476	11,238,745
-					
Committed:					
Public Facilities	469,388	-	-	-	469,388
Public Art	27,458	-	-	-	27,458
OPEB	185,000	-	-	-	185,000
Pensions	623,724	-	-	-	623,724
In-Lieu Housing	100,786	-	-	-	100,786
Parks & Recreation	29,951	-	-	-	29,951
Total Committed	1,436,307	-	-	-	1,436,307
Assigned:					
Park Fee	38,703	-	-	-	38,703
Community Television	82,130	-	-	-	82,130
Street Sweeping	133,242	-	-	-	133,242
Housing	1,499,500	-	-	-	1,499,500
Self-Insurance	792,180	-	-	-	792,180
Worker's Comp	541,161	-	-	-	541,161
Asset Replacement	2,295,215	-	-	-	2,295,215
Facilities Replacement	659,462	-	-	-	659,462
Total Assigned	6,041,593	-	-	-	6,041,593
Unassigned	4,588,069	-	-	(112,596)	4,475,473
Total Fund Balances	\$ 13,833,279	\$ 23,194	\$ 2,823,167	\$ 6,535,880	\$ 23,215,520

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 15: Classification of Fund Balances (Continued)**

	General Fund	Self Insurance	Worker's Compensation	Asset Replacement	Facilities Replacement	Real Property Acquisition	PARS - OPEB	PARS - Pension	Total Classification
<b>Non-Spendable</b>									
Prepays	\$ 23,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,402
Total Non-Spendable	23,402	-	-	-	-	-	-	-	23,402
<b>Restricted</b>									
Pensions	-	-	-	-	-	-	-	1,743,908	1,743,908
Total Restricted	-	-	-	-	-	-	-	1,743,908	1,743,908
<b>Committed</b>									
Public Facilities	469,388	-	-	-	-	-	-	-	469,388
Public Art	27,458	-	-	-	-	-	-	-	27,458
OPEB	-	-	-	-	-	-	185,000	-	185,000
Pensions	-	-	-	-	-	-	-	623,724	623,724
In-Lieu Housing	100,786	-	-	-	-	-	-	-	100,786
Parks & Recreation	29,951	-	-	-	-	-	-	-	29,951
Total Committed	627,583	-	-	-	-	-	185,000	623,724	1,436,307
<b>Assigned</b>									
Park Fee	38,703	-	-	-	-	-	-	-	38,703
Community Television	82,130	-	-	-	-	-	-	-	82,130
Street Sweeping	133,242	-	-	-	-	-	-	-	133,242
Housing	1,499,500	-	-	-	-	-	-	-	1,499,500
Self-Insurance	-	792,180	-	-	-	-	-	-	792,180
Worker's Comp	-	-	541,161	-	-	-	-	-	541,161
Asset Replacement	-	-	-	2,295,215	-	-	-	-	2,295,215
Facilities Replacement	-	-	-	-	659,462	-	-	-	659,462
Total Assigned	1,753,575	792,180	541,161	2,295,215	659,462	-	-	-	6,041,593
<b>Unassigned</b>	7,462,666	-	-	-	-	(2,874,597)	-	-	4,588,069
<b>Total Fund Balances</b>	<b>\$ 9,867,226</b>	<b>\$ 792,180</b>	<b>\$ 541,161</b>	<b>\$ 2,295,215</b>	<b>\$ 659,462</b>	<b>\$ (2,874,597)</b>	<b>\$ 185,000</b>	<b>\$ 2,367,632</b>	<b>\$ 13,833,279</b>

The General Fund for financial reporting purposes consists of the General Fund and the following funds that act as internal funds: Self Insurance Liability, Worker's Compensation, Asset Replacement, Facilities Replacement, OPEB/Pensions, and Real Property Acquisition.

The fund balances for the internal service funds are classified as Assigned with the exception of the OPEB/Pension funds where the fund balance is either Restricted because the fund balance is invested in a Section 115 Trust or Committed because the City Council has limited the use of the funds to either OPEB or Pension purposes and the Real Property Acquisition fund. This fund has a deficit fund balance of \$2,874,597 and because the fund balance amount is a deficit, GASB 54 requires this amount to be classified as Unassigned instead of Assigned.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 16: 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.

**a. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$	244,663
Cash and investments with fiscal agent		198
		<u>244,861</u>
	\$	<u>244,861</u>

**b. 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, 2019, follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Fiduciary Funds:					
2017 Tax Allocation					
Refunding Bonds	\$ 2,639,700	\$ -	\$ 112,000	\$ 2,527,700	\$ 116,900
	<u>2,639,700</u>	<u>-</u>	<u>112,000</u>	<u>2,527,700</u>	<u>116,900</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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, commencing December 1, 2035.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 116,900	\$ 83,965	\$ 200,865
2021	120,900	80,005	200,905
2022	124,900	75,909	200,809
2023	129,100	71,677	200,777
2024	133,500	67,302	200,802
2025 - 2029	738,900	265,490	1,004,390
2030 - 2034	872,900	131,557	1,004,457
2035 - 2039	290,600	9,820	300,420
Total	<u>\$ 2,527,700</u>	<u>\$ 785,725</u>	<u>\$ 3,313,425</u>

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 \$3,313,425 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 \$141,440 and the debt service obligation on the bonds was \$199,777.

**c. 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 6.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 17: Purchase and Sale Agreement**

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 over the seven years of the loan will be as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 367,859	\$ 77,840	\$ 445,699
2021	378,085	67,614	445,699
2022	388,596	57,103	445,699
2023	399,399	46,300	445,699
2024	410,503	35,196	445,699
2025	421,914	23,785	445,699
2026	433,644	12,055	445,699
Total	<u>\$ 2,800,000</u>	<u>\$ 319,893</u>	<u>\$ 3,119,893</u>

The Real Property Acquisition fund reported a deficit fund balance of \$2,874,597 for fiscal year 2018-19, which is the total of \$2,800,000 made by the fund for the purchase of the property plus \$74,597 for accrued interest payable for fiscal year 2018-19. The deficit fund balance was reported as an unassigned fund balance per the requirements of GASB 54. In each succeeding fiscal year, as the Sanitation Fund is repaid, the deficit fund balance will be reduced by that fiscal year’s principle payment, and the fund balance will be increased to zero by fiscal year 2025-26. Note 15 provides additional information regarding the fund balance classification for the Real Property Acquisition fund.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **REQUIRED SUPPLEMENTARY INFORMATION**

**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." 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 2018-2019 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.



CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)**

	2019			Variance with Final Budget Positive (Negative)	2018
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balance, July 1	\$ 15,574,516	\$ 15,574,516	\$ 15,574,516	\$ -	\$ 14,323,777
<b>Resources (Inflows):</b>					
Taxes:					
Property	7,657,000	7,877,000	7,952,416	75,416	7,500,419
Transient occupancy	1,380,000	1,380,000	1,553,081	173,081	1,405,964
Sales	3,231,100	3,331,100	3,502,561	171,461	3,191,410
Franchise and other	1,740,000	1,883,000	2,007,491	124,491	1,866,108
Licenses and permits	456,000	456,000	440,510	(15,490)	508,549
Intergovernmental	1,877,500	1,933,500	1,952,837	19,337	1,842,035
Charges for services	770,000	963,000	953,305	(9,695)	784,373
Use of money and property	259,500	259,500	822,401	562,901	243,298
Fines and forfeitures	487,000	487,000	502,249	15,249	479,933
Miscellaneous	320,900	856,267	884,094	27,827	609,427
<b>Amounts Available for Appropriations</b>	<b>33,753,516</b>	<b>35,000,883</b>	<b>36,145,461</b>	<b>1,144,578</b>	<b>32,755,293</b>
<b>Charges to Appropriations (Outflows):</b>					
General Government:					
City Council	302,800	317,800	311,582	6,218	300,146
City Clerk	431,300	604,200	561,303	42,897	347,854
Legal Services	723,800	473,800	460,813	12,987	517,766
City Manager	317,500	326,900	283,236	43,664	319,198
Finance	810,700	760,700	763,261	(2,561)	770,007
Personnel	439,100	192,700	202,784	(10,084)	342,335
Information Systems	319,900	294,900	295,796	(896)	355,450
Support Services	1,010,600	1,187,754	1,261,071	(73,317)	864,388
Total General Government	4,355,700	4,158,754	4,139,846	18,908	3,817,144
Public Safety:					
Marine safety	782,200	734,500	710,252	24,248	680,397
Law enforcement	4,094,500	4,094,500	4,087,358	7,142	3,854,756
Code & parking enforcement	234,900	214,900	213,324	1,576	165,925
Fire department	4,123,800	4,324,075	4,294,375	29,700	4,008,908
Animal regulation	83,100	86,600	84,922	1,678	108,826
Civil defense	30,700	30,700	26,663	4,037	28,775
Environmental services	1,100	1,100	1,000	100	-
Total Public Safety	9,350,300	9,486,375	9,417,894	68,481	8,847,587
Public Works:					
Street and other	1,378,500	1,501,603	1,397,694	103,909	1,244,863
Engineering	379,500	369,500	346,016	23,484	347,958
Public Facilities	306,900	295,520	277,263	18,257	235,422
Total Public Works	2,064,900	2,166,623	2,020,973	145,650	1,828,243
Community Development:					
Planning	746,000	748,500	711,621	36,879	695,910
Building services	390,100	386,100	385,896	204	410,709
Total Community Development	1,136,100	1,134,600	1,097,517	37,083	1,106,619
Community Services:					
Community services	85,400	85,600	73,091	12,509	112,552
Recreation programs	159,900	160,100	151,496	8,604	146,190
Total Community Services	245,300	245,700	224,587	21,113	258,742
Capital Outlay	324,500	3,298,858	2,900,137	398,721	395,542
<b>Total Charges to Appropriations</b>	<b>17,476,800</b>	<b>20,490,910</b>	<b>19,800,954</b>	<b>689,956</b>	<b>16,253,877</b>
<b>Other Financing Uses:</b>					
Transfers out	(553,600)	(2,505,682)	(2,511,228)	(5,546)	(926,900)
<b>Total Financing Uses</b>	<b>(553,600)</b>	<b>(2,505,682)</b>	<b>(2,511,228)</b>	<b>(5,546)</b>	<b>(926,900)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,723,116</b>	<b>\$ 12,004,291</b>	<b>\$ 13,833,279</b>	<b>\$ 1,828,988</b>	<b>\$ 15,574,516</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
TRANSNET FUND

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

	2019			Variance with Final Budget Positive (Negative)	2018
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balance (Deficit), July 1	\$ (37,006)	\$ (37,006)	\$ (37,006)	\$ -	\$ 38,518
<b>Resources (Inflows):</b>					
Service fees	-	-	46,381	46,381	-
Intergovernmental	465,000	465,000	544,505	79,505	648,535
Use of money and property	-	-	-	-	47
Miscellaneous	-	-	-	-	36,233
<b>Amounts Available for Appropriations</b>	<b>427,994</b>	<b>427,994</b>	<b>553,880</b>	<b>125,886</b>	<b>723,333</b>
<b>Charges to Appropriations (Outflows):</b>					
Public works	75,000	75,000	-	75,000	-
Capital outlay	390,000	390,000	205,581	184,419	435,234
Debt service:					
Interest and fiscal charges	-	325,105	325,105	-	325,105
<b>Total Charges to Appropriations</b>	<b>465,000</b>	<b>790,105</b>	<b>530,686</b>	<b>259,419</b>	<b>760,339</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (37,006)</b>	<b>\$ (362,111)</b>	<b>\$ 23,194</b>	<b>\$ 385,305</b>	<b>\$ (37,006)</b>

The notes to required supplementary information are an integral part of this schedule.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MISCELLANEOUS AND SAFETY PENSION PLANS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

Measurement Date	<u>2019</u> 6/30/2018	<u>2018</u> 6/30/2017	<u>2017</u> 6/30/2016	<u>2016</u> 6/30/2015	<u>2015</u> 6/30/2014
<b><u>Miscellaneous Plan:</u></b>					
Proportion of the Net Pension Liability	0.05550%	0.05313%	0.05241%	0.05706%	0.04245%
Proportionate Share of the Net Pension Liability	\$ 5,177,151	\$ 5,268,836	\$ 4,534,940	\$ 3,550,604	\$ 2,651,591
Covered Payroll	\$ 2,879,582	\$ 2,721,499	\$ 2,593,354	\$ 2,409,776	\$ 2,517,165
Proportionate Share of the Net Pension Liability as a Percentage of 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%
<b><u>Safety Plan:</u></b>					
Proportion of the Net Pension Liability	0.09361%	0.08816%	0.08774%	0.09490%	0.07208%
Proportionate Share of the Net Pension Liability	\$ 8,884,523	\$ 8,742,997	\$ 7,592,101	\$ 5,905,301	\$ 4,940,589
Covered Payroll	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065	\$ 1,997,991	\$ 1,925,616
Proportionate Share of the Net Pension Liability as a Percentage of 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%

**Notes to Schedule of Proportionate Share of the Net Pension Liability:**

Benefit Changes: There were no changes in benefit terms.

Changes of Assumptions: In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PLAN CONTRIBUTIONS  
MISCELLANEOUS AND SAFETY PENSION PLANS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	2019	2018	2017	2016	2015
<b>Miscellaneous Plan:</b>					
Actuarially Determined Contribution	\$ 541,582	\$ 460,816	\$ 417,318	\$ 385,634	\$ 330,415
Contribution in Relation to the Actuarially Determined Contribution	(541,582)	(460,816)	(417,318)	(385,634)	(330,415)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,058,602	\$ 2,879,582	\$ 2,721,499	\$ 2,593,359	\$ 2,409,776
Contributions as a Percentage of Covered Payroll	17.71%	16.00%	15.33%	14.87%	13.71%
<b>Safety Plan:</b>					
Actuarially Determined Contribution	\$ 838,065	\$ 717,659	\$ 673,212	\$ 619,022	\$ 519,933
Contribution in Relation to the Actuarially Determined Contribution	(838,065)	(717,659)	(673,212)	(619,022)	(519,933)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,270,208	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065	\$ 1,997,991
Contributions as a Percentage of Covered Payroll	36.92%	31.91%	31.83%	29.25%	26.02%

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2016 Funding Valuation Report
Asset Valuation Method:	Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation:	2.75%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	3.00%
Investment Rate of Return:	7.50%, Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age:	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011.
Mortality:	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation; therefore only five years are shown.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability:</b>			
Service Cost	\$ 218,793	\$ 231,577	\$ 225,000
Interest	187,559	172,035	164,000
Assumption changes	(1,145,939)	(242,883)	-
Benefit payments	(230,041)	(219,042)	(148,000)
Net Changes	(969,628)	(58,313)	241,000
Total OPEB Liability (beginning of year)	4,806,155	4,864,468	4,623,000
<b>Total OPEB Liability (end of year) (a)</b>	<b><u>\$ 3,836,527</u></b>	<b><u>\$ 4,806,155</u></b>	<b><u>\$ 4,864,000</u></b>
<b>Plan Fiduciary Net Position:</b>			
Contributions - employer <sup>(2)</sup>	\$ 484,191	\$ 307,582	\$ 233,000
Net investment income	27,769	23,652	17,000
Benefit payments	(227,210)	(219,042)	(148,000)
Administrative expenses	(2,496)	(2,062)	-
Net Changes	282,254	110,130	102,000
Plan Fiduciary Net Position (beginning of year)	351,281	241,151	139,000
<b>Plan Fiduciary Net Position (end of year) (b)</b>	<b><u>633,535</u></b>	<b><u>351,281</u></b>	<b><u>241,000</u></b>
<b>Plan Net OPEB Liability - Ending (a) - (b)</b>	<b><u>\$ 3,202,992</u></b>	<b><u>\$ 4,454,874</u></b>	<b><u>\$ 4,623,000</u></b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	16.5%	7.3%	5.0%
Covered Payroll	\$ 7,050,741	\$ 6,666,082	\$ 6,406,137
Plan Net OPEB Liability as a Percentage of Covered Payroll	45.43%	66.83%	72.17%

**Notes to Schedule of Changes in Net OPEB Liability and Related Ratios:**

Benefit Changes: There were no benefit changes.

Changes of Assumptions: In 2018, the accounting discount rate increased from 3.45 percent to 3.82 percent. In 2019, the discount rate was based on on municipal bond rate as of the measurement date and crossover test.

<sup>(1)</sup> Historical information is required only for years for which GASB 74/75 are applicable. Fiscal Year 2017 was the first year of implementation; therefore, only three years are shown.

<sup>(2)</sup> Contributions include pay-as-you-go benefit payments, contributions to the trust, and an implied subsidy.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PLAN CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<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	(484,191)	(252,055)	(233,000)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (31,564)</u>	<u>\$ 298,000</u>
Covered Payroll	\$ 5,147,216	\$ 4,729,364	\$ 3,885,846
Contributions as a Percentage of Covered Payroll	9.41%	5.33%	6.00%

**Notes to Schedule of Plan Contributions:**

Valuation Date:	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level
Assets valuation method	Market Value
Inflation	2.75%
Merit payroll increases	CalPERS 1997-2011
Payroll increases	3.00%
Investment rate of return	6.00%
Retirement age	The probabilities of retirement are based on the 2011 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	CalPERS 1997-2011 Experience Study

<sup>(1)</sup> Historical information is required only for years for which GASB 74/75 are applicable. Fiscal Year 2017 was the first year of implementation; therefore, only three years are shown.

CITY OF SOLANA BEACH, CALIFORNIA

SCHEDULE OF INVESTMENT RETURNS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>

---

<u>Fiscal Year Ending June 30</u>	<u>Net Money-Weighted Rate of Return</u>
2019	5.94%
2018	5.62%
2017	10.55%

---

**Notes to Schedule of Investment Returns:**

<sup>(1)</sup> GASB Statement No. 74, which requires ten years of history for this schedule, was implemented during Fiscal Year 2016/17. Additional years will be added as they become available in the future.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **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.

**Municipal Improvement Districts Fund** - accounts for receipts and expenditure related to landscape maintenance within the various improvement districts. Budgets for maintenance cost are determined by property owners who are then assessed on a per parcel basis. The assessments are collected via the County tax roll.

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

**TEA 21 / TEA Fund** - the Intermodal Surface Transportation Enhancement Act (ISTEA) and Transportation Enhancement Act (TEA) fund accounts for the transportation grant related receipts and expenditures.

**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.

**Transportation Development Act** - accounts for the revenues and expenditures of the Transportation Development Act.

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

**CALTRANS Fund** - these monies are derived from Congestion Mitigation and Air Quality funds. CALTRANS is responsible for distributing these funds as well as Intermodal Surface Transportation Efficiency Act (ISTEA) funds from the federal government to local agencies.

**Coastal Area Business/Visitor Assistance and Enhancement Fund** - this fund is 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.

# NON-MAJOR GOVERNMENTAL FUNDS

---

**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 grant 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** - 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 Replenish / Retention and Coastal CIP** - is limited to sand replenishment, sand retention, and coastal improvement project. Seewall expenditures are excluded from this CIP fund.

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

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Special Revenue Funds		Capital Projects Funds	
	2019	2018	2019	2018
<b>Assets:</b>				
Cash and investments	\$ 6,033,011	\$ 5,765,993	\$ 998,601	\$ 891,375
Receivables:				
Accounts	35,038	24,606	11,100	-
Taxes	59,379	22,083	-	-
Interest	22,282	19,001	3,002	2,968
Prepaid costs	-	200	-	-
Due from other governments	191,659	90,935	-	-
<b>Total Assets</b>	<b>\$ 6,341,369</b>	<b>\$ 5,922,818</b>	<b>\$ 1,012,703</b>	<b>\$ 894,343</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 218,313	\$ 241,108	\$ 40,244	\$ 45,504
Accrued liabilities	20,339	25,715	-	-
Unearned revenues	321,084	451,502	-	-
Deposits payable	-	-	69,226	69,226
Due to other funds	145,859	197,596	-	-
<b>Total Liabilities</b>	<b>705,595</b>	<b>915,921</b>	<b>109,470</b>	<b>114,730</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	28,221	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>28,221</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	200	-	-
Restricted	5,720,149	5,204,380	903,233	779,613
Unassigned	(112,596)	(197,683)	-	-
<b>Total Fund Balances</b>	<b>5,607,553</b>	<b>5,006,897</b>	<b>903,233</b>	<b>779,613</b>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,341,369</b>	<b>\$ 5,922,818</b>	<b>\$ 1,012,703</b>	<b>\$ 894,343</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Debt Service Funds		Total Nonmajor Governmental Funds	
	2019	2018	2019	2018
<b>Assets:</b>				
Cash and investments	\$ 25,094	\$ 24,927	\$ 7,056,706	\$ 6,682,347
Receivables:				
Accounts	-	-	46,138	24,606
Taxes	-	-	59,379	22,083
Interest	-	-	25,284	21,969
Prepaid costs	-	-	-	200
Due from other governments	-	-	191,659	90,935
<b>Total Assets</b>	<b>\$ 25,094</b>	<b>\$ 24,927</b>	<b>\$ 7,379,166</b>	<b>\$ 6,842,140</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 258,557	\$ 286,612
Accrued liabilities	-	-	20,339	25,715
Unearned revenues	-	-	321,084	451,502
Deposits payable	-	-	69,226	69,226
Due to other funds	-	-	145,859	197,596
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>815,065</b>	<b>1,030,651</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	28,221	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>28,221</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	200
Restricted	25,094	24,927	6,648,476	6,008,972
Unassigned	-	-	(112,596)	(197,683)
<b>Total Fund Balances</b>	<b>25,094</b>	<b>24,927</b>	<b>6,535,880</b>	<b>5,811,489</b>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 25,094</b>	<b>\$ 24,927</b>	<b>\$ 7,379,166</b>	<b>\$ 6,842,140</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Special Revenue Funds			
	Gas Tax	Municipal Improvement Districts	Lighting District	TEA 21 / TEA
<b>Assets:</b>				
Cash and investments	\$ 152,222	\$ 1,079,335	\$ 2,469,402	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	7,671	6,091	-
Interest	300	4,289	10,894	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 152,522</b>	<b>\$ 1,091,295</b>	<b>\$ 2,486,387</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances (Deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5	\$ 71,529	\$ 18,352	\$ -
Accrued liabilities	-	431	2,263	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>5</b>	<b>71,960</b>	<b>20,615</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	152,517	1,019,335	2,465,772	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>152,517</b>	<b>1,019,335</b>	<b>2,465,772</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 152,522</b>	<b>\$ 1,091,295</b>	<b>\$ 2,486,387</b>	<b>\$ -</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

(CONTINUED)

	Special Revenue Funds			
	COPS	Public Safety	Fire Mitigation	Transportation Development Act
<b>Assets:</b>				
Cash and investments	\$ 256,469	\$ 294,340	\$ -	\$ -
Receivables:				
Accounts	-	1,915	-	-
Taxes	-	-	-	-
Interest	1,058	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	20,000	23,129	-	148,530
<b>Total Assets</b>	<b>\$ 277,527</b>	<b>\$ 319,384</b>	<b>\$ -</b>	<b>\$ 148,530</b>
<b>Liabilities and Fund Balances (Deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 15,460	\$ 364	\$ -	\$ 97,543
Accrued liabilities	-	500	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	17,710	50,987
<b>Total Liabilities</b>	<b>15,460</b>	<b>864</b>	<b>17,710</b>	<b>148,530</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	28,221
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,221</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	262,067	318,520	-	-
Unassigned	-	-	(17,710)	(28,221)
<b>Total Fund Balances (Deficits)</b>	<b>262,067</b>	<b>318,520</b>	<b>(17,710)</b>	<b>(28,221)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 277,527</b>	<b>\$ 319,384</b>	<b>\$ -</b>	<b>\$ 148,530</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Special Revenue Funds			
	CDBG	CALTRANS	Coastal Area Business / Visitor Assistance &	Boating & Waterways
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 674,977	\$ 61,316
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	2,694	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 677,671</b>	<b>\$ 61,316</b>
<b>Liabilities and Fund Balances (Deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 3,799	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	15,573	-	-	-
<b>Total Liabilities</b>	<b>15,573</b>	<b>-</b>	<b>3,799</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	673,872	61,316
Unassigned	(15,573)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>(15,573)</b>	<b>-</b>	<b>673,872</b>	<b>61,316</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 677,671</b>	<b>\$ 61,316</b>



CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Grants	Developer Pass- Thru	Housing	Camp Programs
<b>Assets:</b>				
Cash and investments	\$ 6,098	\$ 326,808	\$ 621,191	\$ -
Receivables:				
Accounts	-	-	-	33,123
Taxes	-	-	-	-
Interest	-	-	2,712	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,098</b>	<b>\$ 326,808</b>	<b>\$ 623,903</b>	<b>\$ 33,123</b>
<b>Liabilities and Fund Balances (Deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,811	\$ 50	\$ 5,394
Accrued liabilities	-	-	-	17,145
Unearned revenues	-	321,084	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	61,589
<b>Total Liabilities</b>	<b>-</b>	<b>326,895</b>	<b>50</b>	<b>84,128</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	6,098	-	623,853	-
Unassigned	-	(87)	-	(51,005)
<b>Total Fund Balances (Deficits)</b>	<b>6,098</b>	<b>(87)</b>	<b>623,853</b>	<b>(51,005)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,098</b>	<b>\$ 326,808</b>	<b>\$ 623,903</b>	<b>\$ 33,123</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Special Revenue	Capital Projects Funds	
	Funds		Sand Replenish/ Retention and Coastal Access CIP
	SB1 Streets & Roads	Assessment Districts CIP	
<b>Assets:</b>			
Cash and investments	\$ 90,853	\$ 206,239	\$ 792,362
Receivables:			
Accounts	-	-	11,100
Taxes	45,617	-	-
Interest	335	-	3,002
Prepaid costs	-	-	-
Due from other governments	-	-	-
<b>Total Assets</b>	<b>\$ 136,805</b>	<b>\$ 206,239</b>	<b>\$ 806,464</b>
<b>Liabilities and Fund Balances (Deficits)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 6	\$ 16,644	\$ 23,600
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	69,226	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>6</b>	<b>85,870</b>	<b>23,600</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	136,799	120,369	782,864
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>136,799</b>	<b>120,369</b>	<b>782,864</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 136,805</b>	<b>\$ 206,239</b>	<b>\$ 806,464</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>City Debt Service</u>	<u>2019</u>	<u>2018</u>
<b>Assets:</b>			
Cash and investments	\$ 25,094	\$ 7,056,706	\$ 6,682,347
Receivables:			
Accounts	-	46,138	24,606
Taxes	-	59,379	22,083
Interest	-	25,284	21,969
Prepaid costs	-	-	200
Due from other governments	-	191,659	90,935
<b>Total Assets</b>	<b><u>\$ 25,094</u></b>	<b><u>\$ 7,379,166</u></b>	<b><u>\$ 6,842,140</u></b>
<b>Liabilities and Fund Balances (Deficits)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 258,557	\$ 286,612
Accrued liabilities	-	20,339	25,715
Unearned revenues	-	321,084	451,502
Deposits payable	-	69,226	69,226
Due to other funds	-	145,859	197,596
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>815,065</u></b>	<b><u>1,030,651</u></b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	28,221	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>28,221</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>			
Nonspendable	-	-	200
Restricted	25,094	6,648,476	6,008,972
Unassigned	-	(112,596)	(197,683)
<b>Total Fund Balances (Deficits)</b>	<b><u>25,094</u></b>	<b><u>6,535,880</u></b>	<b><u>5,811,489</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 25,094</u></b>	<b><u>\$ 7,379,166</u></b>	<b><u>\$ 6,842,140</u></b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

	Special Revenue Funds		Capital Projects Funds	
	2019	2018	2019	2018
<b>Revenues:</b>				
Taxes and assessments	\$ 1,949,049	\$ 1,700,129	\$ 310,616	\$ 281,193
Intergovernmental	631,476	907,696	-	-
Charges for services	883,694	753,044	-	-
Use of money and property	189,399	25,309	25,904	6,328
Other revenues	28,544	8,155	11,334	-
<b>Total Revenues</b>	<b>3,682,162</b>	<b>3,394,333</b>	<b>347,854</b>	<b>287,521</b>
<b>Expenditures:</b>				
Current:				
General government	5,832	-	44,030	832
Public safety	689,986	800,937	94,030	136,534
Public works	950,832	796,876	30	2,054
Community development	420,778	454,091	-	-
Community services	68,647	63,805	-	-
Capital outlay	989,259	611,482	86,144	285,081
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,125,334</b>	<b>2,727,191</b>	<b>224,234</b>	<b>424,501</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	556,828	667,142	123,620	(136,980)
<b>Other Financing Sources (Uses):</b>				
Transfers in	168,970	-	-	-
Transfers out	(125,142)	(70,400)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>43,828</b>	<b>(70,400)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	600,656	596,742	123,620	(136,980)
Fund Balance at the Beginning of the Year	5,006,897	4,410,155	779,613	916,593
<b>Fund Balance at the End of the Year</b>	<b>\$ 5,607,553</b>	<b>\$ 5,006,897</b>	<b>\$ 903,233</b>	<b>\$ 779,613</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

	Debt Service Funds		Total Nonmajor Governmental Funds	
	2019	2018	2019	2018
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,259,665	\$ 1,981,322
Intergovernmental	-	-	631,476	907,696
Charges for services	-	-	883,694	753,044
Use of money and property	-	-	215,303	31,637
Other revenues	-	-	39,878	8,155
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>4,030,016</b>	<b>3,681,854</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	49,862	832
Public safety	-	-	784,016	937,471
Public works	-	-	950,862	798,930
Community development	-	-	420,778	454,091
Community services	-	-	68,647	63,805
Capital outlay	-	-	1,075,403	896,563
Debt service:				
Principal retirement	303,971	288,487	303,971	296,366
Interest and fiscal charges	49,414	67,114	49,414	58,382
<b>Total Expenditures</b>	<b>353,385</b>	<b>355,601</b>	<b>3,702,953</b>	<b>3,506,440</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353,385)	(355,601)	327,063	175,414
<b>Other Financing Sources (Uses):</b>				
Transfers in	353,500	355,700	522,470	354,800
Transfers out	-	-	(125,142)	(70,400)
<b>Total Other Financing Sources (Uses)</b>	<b>353,500</b>	<b>355,700</b>	<b>397,328</b>	<b>284,400</b>
Net Change in Fund Balance	115	99	724,391	459,814
Fund Balance at the Beginning of the Year	24,979	24,828	5,811,489	5,351,675
<b>Fund Balance at the End of the Year</b>	<b>\$ 25,094</b>	<b>\$ 24,927</b>	<b>\$ 6,535,880</b>	<b>\$ 5,811,489</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)

	Special Revenue Funds			
	Gas Tax	Municipal Improvement Districts	Lighting District	TEA 21 / TEA
<b>Revenues:</b>				
Taxes and assessments	\$ 278,098	\$ 659,185	\$ 600,860	\$ -
Intergovernmental	15,718	2,736	3,261	-
Charges for services	-	-	-	-
Use of money and property	8,511	35,621	91,220	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>302,327</b>	<b>697,542</b>	<b>695,341</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	192	623,585	323,869	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	540,967	-	33,745	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>541,159</b>	<b>623,585</b>	<b>357,614</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(238,832)	73,957	337,727	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	168,970
Transfers out	-	-	(70,400)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(70,400)</b>	<b>168,970</b>
Net Change in Fund Balance	(238,832)	73,957	267,327	168,970
Fund Balance (Deficit) at the Beginning of the Year	391,349	945,378	2,198,445	(168,970)
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 152,517</b>	<b>\$ 1,019,335</b>	<b>\$ 2,465,772</b>	<b>\$ -</b>

## CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

(CONTINUED)

	Special Revenue Funds			
	COPS	Public Safety	Fire Mitigation	Transportation Development Act
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	148,747	298,205	-	120,309
Charges for services	-	-	5,963	-
Use of money and property	8,361	-	-	-
Other revenues	-	21,735	-	-
<b>Total Revenues</b>	<b>157,108</b>	<b>319,940</b>	<b>5,963</b>	<b>120,309</b>
<b>Expenditures:</b>				
Current:				
General government	-	285	-	-
Public safety	100,112	190,597	10,620	-
Public works	-	1,505	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	23,517	-	148,530
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>100,112</b>	<b>215,904</b>	<b>10,620</b>	<b>148,530</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,996	104,036	(4,657)	(28,221)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	56,996	104,036	(4,657)	(28,221)
Fund Balance (Deficit) at the Beginning of the Year	205,071	214,484	(13,053)	-
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 262,067</b>	<b>\$ 318,520</b>	<b>\$ (17,710)</b>	<b>\$ (28,221)</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

	Special Revenue Funds			
	CDBG	CALTRANS	Coastal Area Business / Visitor Assistance & Enhancement	Boating & Waterways
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ 155,308	\$ -
Intergovernmental	42,500	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	22,567	947
Other revenues	-	-	6,809	-
<b>Total Revenues</b>	<b>42,500</b>	<b>-</b>	<b>184,684</b>	<b>947</b>
<b>Expenditures:</b>				
Current:				
General government	-	5,547	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	129,906	-
Community services	-	-	-	-
Capital outlay	42,500	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>42,500</b>	<b>5,547</b>	<b>129,906</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,547)	54,778	947
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(54,742)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(54,742)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	-	(60,289)	54,778	947
Fund Balance (Deficit) at the Beginning of the Year	(15,573)	60,289	619,094	60,369
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ (15,573)</b>	<b>\$ -</b>	<b>\$ 673,872</b>	<b>\$ 61,316</b>



## CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative totals for the year ended June 30, 2018)

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Grants	Developer Pass- Thru	Housing	Camp Programs
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	285,374	258,329	334,028
Use of money and property	-	-	19,023	1,143
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>285,374</b>	<b>277,352</b>	<b>335,171</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	388,657
Public works	-	1,614	-	-
Community development	-	283,760	7,112	-
Community services	-	-	-	68,647
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>285,374</b>	<b>7,112</b>	<b>457,304</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	270,240	(122,133)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	-	-	270,240	(122,133)
Fund Balance (Deficit) at the Beginning of the Year	6,098	(87)	353,613	71,128
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 6,098</b>	<b>\$ (87)</b>	<b>\$ 623,853</b>	<b>\$ (51,005)</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)

	Special Revenue Funds		Capital Projects Funds
	SB1 Streets & Roads	Assessment Districts CIP	Sand Replenish/ Retention and Coastal Access CIP
<b>Revenues:</b>			
Taxes and assessments	\$ 255,598	\$ -	\$ 310,616
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	2,006	2,609	23,295
Other revenues	-	-	11,334
<b>Total Revenues</b>	<b>257,604</b>	<b>2,609</b>	<b>345,245</b>
<b>Expenditures:</b>			
Current:			
General government	-	43,416	614
Public safety	-	-	94,030
Public works	67	-	30
Community development	-	-	-
Community services	-	-	-
Capital outlay	200,000	-	86,144
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total Expenditures</b>	<b>200,067</b>	<b>43,416</b>	<b>180,818</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,537	(40,807)	164,427
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	57,537	(40,807)	164,427
Fund Balance (Deficit) at the Beginning of the Year	79,262	161,176	618,437
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 136,799</b>	<b>\$ 120,369</b>	<b>\$ 782,864</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019  
(With comparative totals for the year ended June 30, 2018)

	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>City Debt Service</u>	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>			
Taxes and assessments	\$ -	\$ 2,259,665	\$ 1,981,322
Intergovernmental	-	631,476	907,696
Charges for services	-	883,694	753,044
Use of money and property	-	215,303	31,637
Other revenues	-	39,878	8,155
<b>Total Revenues</b>	<b>-</b>	<b>4,030,016</b>	<b>3,681,854</b>
<b>Expenditures:</b>			
Current:			
General government	-	49,862	832
Public safety	-	784,016	937,471
Public works	-	950,862	798,930
Community development	-	420,778	454,091
Community services	-	68,647	63,805
Capital outlay	-	1,075,403	896,563
Debt service:			
Principal retirement	303,971	303,971	296,366
Interest and fiscal charges	49,414	49,414	58,382
<b>Total Expenditures</b>	<b>353,385</b>	<b>3,702,953</b>	<b>3,506,440</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353,385)	327,063	175,414
<b>Other Financing Sources (Uses):</b>			
Transfers in	353,500	522,470	354,800
Transfers out	-	(125,142)	(70,400)
<b>Total Other Financing Sources (Uses)</b>	<b>353,500</b>	<b>397,328</b>	<b>284,400</b>
Net Change in Fund Balance	115	724,391	459,814
Fund Balance (Deficit) at the Beginning of the Year	24,979	5,811,489	5,351,675
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 25,094</b>	<b>\$ 6,535,880</b>	<b>\$ 5,811,489</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 391,349	\$ 391,349	\$ 391,349	\$ -
<b>Resources (Inflows):</b>				
Taxes	309,800	309,800	278,098	(31,702)
Intergovernmental	-	-	15,718	15,718
Use of money and property	2,000	2,000	8,511	6,511
<b>Amounts Available for Appropriations</b>	<b>703,149</b>	<b>703,149</b>	<b>693,676</b>	<b>(9,473)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	2,600	2,600	192	2,408
Capital outlay	460,000	716,435	540,967	175,468
<b>Total Charges to Appropriations</b>	<b>462,600</b>	<b>719,035</b>	<b>541,159</b>	<b>177,876</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ 240,549</b>	<b>\$ (15,886)</b>	<b>\$ 152,517</b>	<b>\$ 168,403</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL IMPROVEMENT DISTRICTS FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 945,378	\$ 945,378	\$ 945,378	\$ -
<b>Resources (Inflows):</b>				
Taxes	611,700	611,700	659,185	47,485
Intergovernmental	2,500	2,500	2,736	236
Use of money and property	600	600	35,621	35,021
<b>Amounts Available for Appropriations</b>	<b>1,560,178</b>	<b>1,560,178</b>	<b>1,642,920</b>	<b>82,742</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	529,800	651,980	623,585	28,395
<b>Total Charges to Appropriations</b>	<b>529,800</b>	<b>651,980</b>	<b>623,585</b>	<b>28,395</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,030,378</b>	<b>\$ 908,198</b>	<b>\$ 1,019,335</b>	<b>\$ 111,137</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIGHTING DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 2,198,445	\$ 2,198,445	\$ 2,198,445	\$ -
<b>Resources (Inflows):</b>				
Taxes	551,100	551,100	600,860	49,760
Intergovernmental	3,200	3,200	3,261	61
Use of money and property	15,000	15,000	91,220	76,220
<b>Amounts Available for Appropriations</b>	<b>2,767,745</b>	<b>2,767,745</b>	<b>2,893,786</b>	<b>126,041</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	290,200	369,204	323,869	45,335
Capital outlay	-	33,745	33,745	-
Transfers out	70,400	70,400	70,400	-
<b>Total Charges to Appropriations</b>	<b>360,600</b>	<b>473,349</b>	<b>428,014</b>	<b>45,335</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,407,145</b>	<b>\$ 2,294,396</b>	<b>\$ 2,465,772</b>	<b>\$ 171,376</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 TEA 21 / TEA FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (168,970)	\$ (168,970)	\$ (168,970)	\$ -
<b>Resources (Inflows):</b>				
Transfers in	-	168,970	168,970	-
<b>Amounts Available for Appropriations</b>	<b>(168,970)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (168,970)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 COPS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 205,071	\$ 205,071	\$ 205,071	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	148,747	48,747
Use of money and property	400	400	8,361	7,961
<b>Amounts Available for Appropriations</b>	<b>305,471</b>	<b>305,471</b>	<b>362,179</b>	<b>56,708</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	100,000	100,200	100,112	88
<b>Total Charges to Appropriations</b>	<b>100,000</b>	<b>100,200</b>	<b>100,112</b>	<b>88</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 205,471</b>	<b>\$ 205,271</b>	<b>\$ 262,067</b>	<b>\$ 56,796</b>



CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 214,484	\$ 214,484	\$ 214,484	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	49,500	119,358	298,205	178,847
Miscellaneous	-	-	21,735	21,735
<b>Amounts Available for Appropriations</b>	<b>263,984</b>	<b>333,842</b>	<b>534,424</b>	<b>200,582</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	-	-	285	(285)
Public safety	85,000	159,243	190,597	(31,354)
Public works	-	-	1,505	(1,505)
Capital outlay	-	57,615	23,517	34,098
<b>Total Charges to Appropriations</b>	<b>85,000</b>	<b>216,858</b>	<b>215,904</b>	<b>954</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 178,984</b>	<b>\$ 116,984</b>	<b>\$ 318,520</b>	<b>\$ 201,536</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 FIRE MITIGATION FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (13,053)	\$ (13,053)	\$ (13,053)	\$ -
<b>Resources (Inflows):</b>				
Charges for services	5,000	5,000	5,963	963
<b>Amounts Available for Appropriations</b>	<b>(8,053)</b>	<b>(8,053)</b>	<b>(7,090)</b>	<b>963</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	5,000	11,375	10,620	755
<b>Total Charges to Appropriations</b>	<b>5,000</b>	<b>11,375</b>	<b>10,620</b>	<b>755</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (13,053)</b>	<b>\$ (19,428)</b>	<b>\$ (17,710)</b>	<b>\$ 1,718</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION DEVELOPMENT ACT FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	616,050	120,309	(495,741)
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>616,050</b>	<b>120,309</b>	<b>(495,741)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	-	616,050	148,530	467,520
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>616,050</b>	<b>148,530</b>	<b>467,520</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (28,221)</b>	<b>\$ (28,221)</b>

CITY OF SOLANA BEACH, CALIFORNIA

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

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Deficit, July 1	\$ (15,573)	\$ (15,573)	\$ (15,573)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	42,500	42,500	-
<b>Amounts Available for Appropriations</b>	<b>(15,573)</b>	<b>26,927</b>	<b>26,927</b>	<b>-</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	-	42,500	42,500	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>42,500</b>	<b>42,500</b>	<b>-</b>
<b>Budgetary Fund Deficit, June 30</b>	<b>\$ (15,573)</b>	<b>\$ (15,573)</b>	<b>\$ (15,573)</b>	<b>\$ -</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 CALTRANS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 60,289	\$ 60,289	\$ 60,289	\$ -
<b>Amounts Available for Appropriations</b>	<b>60,289</b>	<b>60,289</b>	<b>60,289</b>	<b>-</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	-	-	5,547	(5,547)
Transfers out	-	60,289	54,742	5,547
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>60,289</b>	<b>60,289</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 60,289</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COASTAL AREA BUSINESS / VISITOR ASSISTANCE AND ENHANCEMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 619,094	\$ 619,094	\$ 619,094	\$ -
<b>Resources (Inflows):</b>				
Taxes	138,000	138,000	155,308	17,308
Use of money and property	2,500	2,500	22,567	20,067
Miscellaneous	-	-	6,809	6,809
<b>Amounts Available for Appropriations</b>	<b>759,594</b>	<b>759,594</b>	<b>803,778</b>	<b>44,184</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	48,600	147,900	129,906	17,994
<b>Total Charges to Appropriations</b>	<b>48,600</b>	<b>147,900</b>	<b>129,906</b>	<b>17,994</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 710,994</b>	<b>\$ 611,694</b>	<b>\$ 673,872</b>	<b>\$ 62,178</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 DEVELOPER PASS-THRU FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (87)	\$ (87)	\$ (87)	\$ -
<b>Resources (Inflows):</b>				
Charges for services	100,000	100,000	285,374	185,374
Use of money and property	-	-	-	-
<b>Amounts Available for Appropriations</b>	<b>99,913</b>	<b>99,913</b>	<b>285,287</b>	<b>185,374</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	100,000	284,685	283,760	925
Public works	-	46,051	1,614	44,437
<b>Total Charges to Appropriations</b>	<b>100,000</b>	<b>330,736</b>	<b>285,374</b>	<b>45,362</b>
<b>Budgetary Fund Deficit, June 30</b>	<b>\$ (87)</b>	<b>\$ (230,823)</b>	<b>\$ (87)</b>	<b>\$ 230,736</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 353,613	\$ 353,613	\$ 353,613	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	258,329	258,329
Use of money and property	2,500	2,500	19,023	16,523
<b>Amounts Available for Appropriations</b>	<b>356,113</b>	<b>356,113</b>	<b>630,965</b>	<b>274,852</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	10,000	64,403	7,112	57,291
<b>Total Charges to Appropriations</b>	<b>10,000</b>	<b>64,403</b>	<b>7,112</b>	<b>57,291</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 346,113</b>	<b>\$ 291,710</b>	<b>\$ 623,853</b>	<b>\$ 332,143</b>



CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 CAMP PROGRAMS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,128	\$ 71,128	\$ 71,128	\$ -
<b>Resources (Inflows):</b>				
Charges for services	430,700	430,700	334,028	(96,672)
Use of money and property	-	-	1,143	1,143
<b>Amounts Available for Appropriations</b>	<b>501,828</b>	<b>501,828</b>	<b>406,299</b>	<b>(95,529)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	390,300	409,400	388,657	20,743
Parks and recreation	64,000	69,000	68,647	353
<b>Total Charges to Appropriations</b>	<b>454,300</b>	<b>478,400</b>	<b>457,304</b>	<b>21,096</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ 47,528</b>	<b>\$ 23,428</b>	<b>\$ (51,005)</b>	<b>\$ (74,433)</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SB1 STREETS & ROADS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 79,262	\$ 79,262	\$ 79,262	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	-	255,598	255,598
Use of money and property	-	-	2,006	2,006
<b>Amounts Available for Appropriations</b>	<b>79,262</b>	<b>79,262</b>	<b>336,866</b>	<b>257,604</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	100	67	33
Capital outlay	200,000	200,000	200,000	-
<b>Total Charges to Appropriations</b>	<b>200,000</b>	<b>200,100</b>	<b>200,067</b>	<b>33</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (120,738)</b>	<b>\$ (120,838)</b>	<b>\$ 136,799</b>	<b>\$ 257,637</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 CITY CIP CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,835,252	\$ 1,835,252	\$ 1,835,252	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	537,081	537,081	-
Charges for services	-	3,800	393,615	389,815
Use of money and property	10,000	10,000	63,091	53,091
Miscellaneous	-	60,000	51,538	(8,462)
Transfers in	270,500	2,113,900	2,113,900	-
<b>Amounts Available for Appropriations</b>	<b>2,115,752</b>	<b>4,560,033</b>	<b>4,994,477</b>	<b>434,444</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	-	-	1,668	(1,668)
Public safety	63,400	90,880	41,636	49,244
Community development	10,000	10,000	5,133	4,867
Parks and recreation	-	537,081	537,081	-
Public works	20,000	20,000	3,683	16,317
Capital outlay	275,000	2,153,565	1,582,109	571,456
<b>Total Charges to Appropriations</b>	<b>368,400</b>	<b>2,811,526</b>	<b>2,171,310</b>	<b>640,216</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,747,352</b>	<b>\$ 1,748,507</b>	<b>\$ 2,823,167</b>	<b>\$ 1,074,660</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 ASSESSMENT DISTRICT CIP CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 161,176	\$ 161,176	\$ 161,176	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	100	100	2,609	2,509
<b>Amounts Available for Appropriations</b>	<b>161,276</b>	<b>161,276</b>	<b>163,785</b>	<b>2,509</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	-	45,000	43,416	1,584
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>45,000</b>	<b>43,416</b>	<b>1,584</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 161,276</b>	<b>\$ 116,276</b>	<b>\$ 120,369</b>	<b>\$ 4,093</b>

CITY OF SOLANA BEACH, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SAND REPLENISHMENT / RETENTION AND COASTAL ACCESS CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 618,437	\$ 618,437	\$ 618,437	\$ -
<b>Resources (Inflows):</b>				
Taxes	276,000	276,000	310,616	34,616
Use of money and property	400	400	23,295	22,895
Miscellaneous	-	11,100	11,334	234
<b>Amounts Available for Appropriations</b>	<b>894,837</b>	<b>905,937</b>	<b>963,682</b>	<b>57,745</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	-	-	614	(614)
Public safety	149,200	151,825	94,030	57,795
Public works	100,000	100,000	30	99,970
Capital outlay	215,000	249,763	86,144	163,619
<b>Total Charges to Appropriations</b>	<b>464,200</b>	<b>501,588</b>	<b>180,818</b>	<b>320,770</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 430,637</b>	<b>\$ 404,349</b>	<b>\$ 782,864</b>	<b>\$ 378,515</b>

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 CITY DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,979	\$ 24,979	\$ 24,979	\$ -
<b>Resources (Inflows):</b>				
Transfers in	353,500	353,500	353,500	-
<b>Amounts Available for Appropriations</b>	<b>378,479</b>	<b>378,479</b>	<b>378,479</b>	<b>-</b>
<b>Charges to Appropriations (Outflows):</b>				
Debt service:				
Principal retirement	304,000	304,000	303,971	29
Interest and fiscal charges	49,500	49,500	49,414	86
<b>Total Charges to Appropriations</b>	<b>353,500</b>	<b>353,500</b>	<b>353,385</b>	<b>115</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 24,979</b>	<b>\$ 24,979</b>	<b>\$ 25,094</b>	<b>\$ 115</b>

## FIDUCIARY FUNDS

---

**Cedros Avenue Assessment District Fund** - accounts for payments from property owners as well as debt service on bonds which were issued to pay for the improvements within the assessment district. This is accounted for as an agency fund because the City has no responsibility for the debt service on the bonds.

**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 undergrounding improvements within the assessment districts. This is accounted for as an agency 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 an agency fund because the City has no responsibility for the debt service on the bonds.

**THIS PAGE INTENTIONALLY LEFT BLANK**



CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2019  
 (With comparative totals for June 30, 2018)

	Cedros Avenue Assessment District	Undergrounding Districts	South Solana Sewer District	Total Agency Funds	
				2019	2018
<b>Assets:</b>					
Cash and investments	\$ -	\$ 440,575	\$ 79,315	\$ 519,890	\$ 506,663
Receivables:					
Accounts	-	1,668	-	1,668	1,248
Taxes	-	4,097	952	5,049	2,771
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 446,340</b>	<b>\$ 80,267</b>	<b>\$ 526,607</b>	<b>\$ 510,682</b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 909	\$ 3	\$ 912	\$ 7
Due to bondholders	-	445,431	80,264	525,695	510,675
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 446,340</b>	<b>\$ 80,267</b>	<b>\$ 526,607</b>	<b>\$ 510,682</b>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b><u>Cedros Avenue Assessment District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 13,199	\$ -	\$ 13,199	\$ -
<b>Total Assets</b>	<b>\$ 13,199</b>	<b>\$ -</b>	<b>\$ 13,199</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 13,199	\$ -	\$ 13,199	\$ -
<b>Total Liabilities</b>	<b>\$ 13,199</b>	<b>\$ -</b>	<b>\$ 13,199</b>	<b>\$ -</b>
<b><u>Undergrounding Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 417,197	\$ 182,745	\$ 159,367	\$ 440,575
Receivables:				
Accounts	1,248	7,917	7,497	1,668
Taxes	1,579	4,097	1,579	4,097
<b>Total Assets</b>	<b>\$ 420,024</b>	<b>\$ 194,759</b>	<b>\$ 168,443</b>	<b>\$ 446,340</b>
<b>Liabilities:</b>				
Accounts payable	\$ 781	\$ 138	\$ 10	\$ 909
Due to bondholders	419,243	455,625	429,437	445,431
<b>Total Liabilities</b>	<b>\$ 420,024</b>	<b>\$ 455,763</b>	<b>\$ 429,447</b>	<b>\$ 446,340</b>
<b><u>South Solana Sewer District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 76,267	\$ 135,585	\$ 132,537	\$ 79,315
Receivables:				
Taxes	1,192	3,302	3,542	952
<b>Total Assets</b>	<b>\$ 77,459</b>	<b>\$ 138,887</b>	<b>\$ 136,079</b>	<b>\$ 80,267</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3	\$ 39,349	\$ 39,349	\$ 3
Due to bondholders	77,456	73,980	71,172	80,264
<b>Total Liabilities</b>	<b>\$ 77,459</b>	<b>\$ 113,329</b>	<b>\$ 110,521</b>	<b>\$ 80,267</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 506,663	\$ 318,330	\$ 305,103	\$ 519,890
Receivables:				
Accounts	1,248	7,917	7,497	1,668
Taxes	2,771	7,399	5,121	5,049
<b>Total Assets</b>	<b>\$ 510,682</b>	<b>\$ 333,646</b>	<b>\$ 317,721</b>	<b>\$ 526,607</b>
<b>Liabilities:</b>				
Accounts payable	\$ 784	\$ 39,487	\$ 39,359	\$ 912
Due to bondholders	509,898	529,605	513,808	525,695
<b>Total Liabilities</b>	<b>\$ 510,682</b>	<b>\$ 569,092</b>	<b>\$ 553,167</b>	<b>\$ 526,607</b>

**STATISTICAL SECTION  
(UNAUDITED)**

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Statistical Section

*This part of the City of Solana Beach's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

### Contents

#### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

- \* **Net Position by Component**
- \* **Changes in Net Position**
- \* **Fund Balances of Governmental Funds**
- \* **Changes in Fund Balances of Governmental Funds**

#### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.*

- \* **Assessed Value and Estimated Actual Value of Taxable Property**
- \* **Direct and Overlapping Property Tax Rates**
- \* **Principal Property Tax Payers**
- \* **Property Tax Levies and Collections**

#### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

- \* **Ratios of Outstanding Debt by Type**
- \* **Direct and Overlapping Debt**
- \* **Legal Debt Margin Information**
- \* **Pledged-Revenue Coverage**

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.*

- \* **Demographic and Economic Statistics**
- \* **Principal Employers**

#### **Operating Information**

*These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.*

- \* **Full-time Equivalent City Government Employees by Function/Program**
- \* **Operating Indicators by Function/Program**
- \* **Capital Assets Statistics by Function/Program**

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**THIS PAGE INTENTIONALLY LEFT BLANK**

# ***Financial Trends***

CITY OF SOLANA BEACH

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

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Government activities</b>					
Net Investment in Capital					
Assets	\$ 33,268,562	\$ 32,138,178	\$ 34,301,049	\$ 39,384,623	\$ 34,095,894
Restricted	7,086,145	6,747,340	6,370,933	4,688,776	5,183,814
Unrestricted	<u>7,537,582</u>	<u>4,479,958</u>	<u>5,275,012</u>	<u>1,418,151</u>	<u>6,871,872</u>
<b>Total governmental activities net position</b>	<b><u>\$ 47,892,289</u></b>	<b><u>\$ 43,365,476</u></b>	<b><u>\$ 45,946,994</u></b>	<b><u>\$ 45,491,550</u></b>	<b><u>46,151,580</u></b>
<b>Business-type activities</b>					
Net Investment in Capital					
Assets	10,679,302	6,389,844	5,470,469	5,682,518	6,324,862
Restricted	-	-	-	-	-
Unrestricted	<u>17,901,556</u>	<u>22,974,310</u>	<u>24,794,121</u>	<u>25,769,871</u>	<u>27,155,489</u>
<b>Total governmental activities net position</b>	<b><u>\$ 28,580,858</u></b>	<b><u>\$ 29,364,154</u></b>	<b><u>\$ 30,264,590</u></b>	<b><u>\$ 31,452,389</u></b>	<b><u>33,480,351</u></b>
<b>Primary government</b>					
Net Investment in Capital					
Assets	\$ 43,947,864	\$ 38,528,022	\$ 39,771,518	\$ 45,067,141	\$ 40,420,756
Restricted	7,086,145	6,747,340	6,370,933	4,688,776	5,183,814
Unrestricted	<u>25,439,138</u>	<u>27,454,268</u>	<u>30,069,133</u>	<u>27,188,022</u>	<u>34,027,361</u>
<b>Total governmental activities net position</b>	<b><u>\$ 76,473,147</u></b>	<b><u>\$ 72,729,630</u></b>	<b><u>\$ 76,211,584</u></b>	<b><u>\$ 76,943,939</u></b>	<b><u>79,631,931</u></b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.



		Fiscal Year				
2015	2016	2017	2018	2019		
\$ 32,415,836	\$ 30,365,711	\$ 28,412,121	\$ 27,241,251	\$ 29,396,878		
4,979,850	5,825,595	6,619,853	9,139,181	11,238,745		
(85,816)	1,230,929	1,795,456	(2,320,375)	(3,911,422)		
<b>37,309,870</b>	<b>37,422,235</b>	<b>36,827,430</b>	<b>\$ 34,060,057</b>	<b>\$ 36,724,201</b>		
6,798,584	5,594,350	6,195,352	\$ 5,929,088	\$ 8,892,771		
-	-	-	54	49		
26,759,779	29,711,194	32,866,729	36,722,015	35,710,517		
<b>33,558,363</b>	<b>35,305,544</b>	<b>39,062,081</b>	<b>\$ 42,651,157</b>	<b>\$ 44,603,337</b>		
\$ 39,214,420	\$ 35,960,061	\$ 34,607,473	\$ 33,170,339	\$ 38,289,649		
4,979,850	5,825,595	6,619,853	9,139,235	11,238,794		
26,673,963	30,942,123	34,662,185	34,401,640	31,799,095		
<b>70,868,233</b>	<b>72,727,779</b>	<b>75,889,511</b>	<b>\$ 76,711,214</b>	<b>\$ 81,327,538</b>		

CITY OF SOLANA BEACH

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

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental Activities:					
General government	4,680,495	4,943,119	3,509,970	3,521,929	3,712,734
Public safety	8,066,129	9,730,398	7,801,875	8,177,235	8,416,330
Public works	4,350,781	4,207,981	4,499,601	5,070,916	5,008,665
Community development	1,055,575	1,078,141	957,995	957,303	1,361,588
Community services	526,188	569,907	561,563	604,445	579,088
Interest on long-term debt	738,430	543,852	139,345	78,156	439,918
Total Governmental Activities expenses	19,417,598	21,073,398	17,470,349	18,409,984	19,518,323
Business-Type Activities:					
Sanitation	3,654,076	3,942,484	4,038,404	3,456,455	2,855,368
Solana Energy Alliance Fund	-	-	-	-	-
Total Business-Type Activities Expenses	3,654,076	3,942,484	4,038,404	3,456,455	2,855,368
<b>Total Primary Government Expenses</b>	<b>\$ 23,071,674</b>	<b>\$ 25,015,882</b>	<b>21,508,753</b>	<b>21,866,439</b>	<b>22,373,691</b>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services:					
General government	\$ -	\$ -	\$ 21,370	\$ -	\$ -
Public safety	397,971	471,722	439,523	376,156	402,670
Public works	571,933	689,658	251,766	511,843	743,210
Community development	447,581	506,927	796,475	648,280	830,429
Community services	248,803	151,189	229,571	357,877	303,070
Operating Contributions:					
General government	-	14,213	-	-	-
Public safety	181,174	251,237	273,048	270,428	286,687
Public works	1,000	1,351	173,664	583,136	1,577,961
Community development	-	-	-	-	-
Community services	76,250	13,500	30,331	-	-
Capital Contributions and Grants:					
Public safety	-	65,696	78,590	162,672	129,740
Public works	25,500	414,003	25,000	-	-
Community services	-	21,001	-	-	-
Total Governmental Activities Program Revenues	1,950,212	2,600,497	2,319,338	2,910,392	4,273,767
Business-Type Activities:					
Charges for services:					
Sanitation	4,498,181	4,501,364	4,517,005	4,708,765	4,775,489
Solana Energy Alliance Fund	-	-	-	-	-
Total Business-Type Activities Program Revenues	4,498,181	4,501,364	4,517,005	4,708,765	4,775,489
<b>Total Primary Government Program Revenues</b>	<b>\$ 6,448,393</b>	<b>\$ 7,101,861</b>	<b>\$ 6,836,343</b>	<b>\$ 7,619,157</b>	<b>\$ 9,049,256</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(17,467,386)	(18,472,901)	(15,151,011)	(15,499,592)	(15,244,556)
Business-Type Activities	844,105	558,880	478,601	1,252,310	1,920,121
<b>Total primary Government Net Expense</b>	<b>(16,623,281)</b>	<b>(17,914,021)</b>	<b>(14,672,410)</b>	<b>(14,247,282)</b>	<b>(13,324,435)</b>
<b>General Revenues and Other Charges in Net Position</b>					
Governmental Activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 6,880,563	\$ 6,813,559	\$ 6,597,393	\$ 6,655,138	\$ 6,880,916
Transient occupancy taxes	929,836	978,840	1,118,592	1,186,197	1,220,075
Sales taxes	2,515,183	2,813,228	2,963,507	3,077,691	2,814,702
Intergovernmental, unrestricted:					
Franchise taxes	652,485	663,660	685,336	698,672	714,991
Other taxes	2,228,379	2,353,883	2,670,333	2,643,515	2,736,146
Investment income	175,659	161,701	-	-	-
Use of money and property	-	-	102,469	84,903	137,906
Other	345,098	218,377	494,008	722,094	1,399,850
Loss on sale of property	-	(57,159)	-	-	-
Extraordinary Gain/(Loss) on dissolution on redevelopment agency	-	-	2,933,995	-	-
Total Governmental Activities	13,727,203	13,946,089	17,617,717	15,068,210	15,904,586
Business-Type Activities:					
Investment income	73,634	51,294	-	-	-
Use of money and property	-	-	152,477	78,615	71,541
Share in joint venture net loss	-	-	-	-	-
Other	-	-	269,358	46,470	36,300
Miscellaneous	421,515	173,122	-	-	-
Total Business-Type Activities	495,149	224,416	421,835	125,085	107,841
<b>Total Primary Government</b>	<b>14,222,352</b>	<b>14,170,505</b>	<b>18,039,552</b>	<b>15,193,295</b>	<b>16,012,427</b>
<b>Changes in Net Position</b>					
Governmental Activities	(3,740,183)	(4,526,812)	2,466,706	(431,382)	660,030
Business-Type Activities	1,339,254	783,296	900,436	1,377,395	2,027,962
<b>Total Primary Government</b>	<b>\$ (2,400,929)</b>	<b>\$ (3,743,516)</b>	<b>\$ 3,367,142</b>	<b>\$ 946,013</b>	<b>\$ 2,687,992</b>

Fiscal Year				
2015	2016	2017	2018	2019
3,344,429	3,944,303	4,309,372	4,101,170	3,650,982
8,441,144	9,162,345	9,628,140	10,539,671	11,050,684
5,181,223	5,438,407	5,487,183	5,944,432	5,937,131
1,281,059	1,378,130	1,745,101	1,754,910	1,482,428
622,608	627,748	1,122,128	730,645	1,178,128
388,144	398,408	389,077	381,634	368,495
19,258,607	20,949,341	22,681,001	23,452,462	23,667,848
4,566,357	3,568,901	1,602,359	2,100,256	4,204,504
-	-	-	390,533	5,210,816
4,566,357	3,568,901	1,602,359	2,490,789	9,415,320
23,824,964	24,518,242	24,283,360	25,943,251	33,083,168
\$ -	\$ -	\$ -	\$ -	\$ 194,122
464,533	578,282	620,990	577,351	581,313
238,587	416,524	449,962	698,999	1,005,828
852,578	928,065	1,252,126	1,300,411	1,169,232
347,698	365,289	400,353	336,079	335,828
-	-	-	-	-
285,399	270,152	198,615	177,936	186,145
920,807	1,045,301	1,241,379	1,106,636	1,404,721
109,689	200,388	-	100,000	-
-	-	129,324	139,416	148,747
53,091	160,372	158,370	420,005	298,205
-	-	-	-	-
-	-	-	-	-
3,272,382	3,964,373	4,451,119	4,856,833	5,324,141
4,949,069	5,151,671	5,255,483	5,415,690	5,592,045
-	-	-	494,307	5,202,375
4,949,069	5,151,671	5,255,483	5,909,997	10,794,420
\$ 8,221,451	\$ 9,116,044	\$ 9,706,602	\$ 10,766,830	\$ 16,118,561
(15,986,225)	(16,984,968)	(18,229,882)	(18,595,629)	(18,343,707)
382,712	1,582,770	3,653,124	3,419,208	1,379,100
(15,603,513)	(15,402,198)	(14,576,758)	(15,176,421)	(16,964,607)
\$ 7,247,202	\$ 7,705,956	\$ 8,095,383	\$ 8,586,838	\$ 9,070,200
1,467,373	1,605,685	1,740,208	1,827,753	2,019,005
2,808,203	3,255,104	3,127,803	3,191,410	3,502,561
-	-	-	-	-
765,995	736,042	733,354	723,164	792,575
2,747,073	2,797,559	2,868,629	3,170,331	3,547,175
-	-	-	-	-
136,763	261,446	283,828	286,867	1,100,795
914,672	735,521	785,872	722,186	975,510
-	-	-	-	-
-	-	-	-	-
16,087,281	17,097,313	17,635,077	18,508,549	21,007,821
-	-	-	-	-
71,973	115,321	88,940	81,629	557,179
-	-	-	-	-
28,939	49,090	14,473	88,239	15,901
-	-	-	-	-
100,912	164,411	103,413	169,868	573,080
16,188,193	17,261,724	17,738,490	18,678,417	21,580,901
101,056	112,345	(594,805)	(87,080)	2,664,114
483,624	1,747,181	3,756,537	3,589,076	1,952,180
\$ 584,680	\$ 1,859,526	\$ 3,161,732	\$ 3,501,996	\$ 4,616,294

CITY OF SOLANA BEACH

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

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 590,395	\$ -	\$ -	\$ -	\$ -
Unreserved	8,836,776	-	-	-	-
Nonspendable	-	32,550	6,482	9,276	7,523
Restricted	-	-	-	-	-
Committed	-	346,990	264,534	278,377	324,083
Assigned	-	4,553,037	4,486,177	4,579,527	5,102,543
Unassigned	-	1,600,449	2,573,592	4,014,144	4,369,152
Total General Fund	<u>\$ 9,427,171</u>	<u>\$ 6,533,026</u>	<u>\$ 7,330,785</u>	<u>\$ 8,881,324</u>	<u>9,803,301</u>
All Other Governmental Funds					
Reserved	\$ 2,039,729	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in nonmajor,					
Special revenue funds	3,883,762	-	-	-	-
Capital Projects funds	630,964	-	-	-	-
Debt service funds	531,690	-	-	-	-
Nonspendable	-	69,226	-	-	-
Restricted	-	6,169,355	6,241,182	4,588,670	5,107,900
Committed	-	-	-	-	-
Assigned	-	782,116	539,450	525,735	425,416
Unassigned	-	(273,357)	(315,857)	(5,333,420)	(222,713)
Total all other Governmental Funds	<u>\$ 7,086,145</u>	<u>\$ 6,747,340</u>	<u>\$ 6,464,775</u>	<u>\$ (219,015)</u>	<u>5,310,603</u>

Fiscal Year				
2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
9,382	7,471	20,164	72,579	23,402
-	508,897	893,185	1,294,957	1,743,908
454,048	787,790	914,846	1,015,354	1,436,307
5,324,048	5,520,890	5,690,381	5,805,890	6,041,593
5,580,686	6,200,244	6,805,201	7,385,736	4,588,069
<u>11,368,164</u>	<u>13,025,292</u>	<u>14,323,777</u>	<u>15,574,516</u>	<u>13,833,279</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	200	-
4,979,850	5,316,698	5,726,668	7,844,224	9,494,837
-	-	-	-	-
589,120	849,917	1,385,099	-	-
(213,005)	(184,544)	(336,475)	(234,689)	(112,596)
<u>5,355,965</u>	<u>5,982,071</u>	<u>6,775,292</u>	<u>7,609,735</u>	<u>9,382,241</u>

CITY OF SOLANA BEACH

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

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues:</b>					
Taxes and assessments	\$ 12,299,501	\$ 12,700,086	\$ 12,881,767	\$ 13,046,917	\$ 13,135,199
Intergovernmental	1,700,918	1,623,918	1,822,705	2,230,532	3,217,319
Licenses and permits	308,284	323,091	420,339	361,573	429,464
Charges for services	678,188	607,354	799,836	830,907	959,935
Fines and forfeitures	349,291	385,394	342,136	323,961	348,337
Contributions from property owners	-	-	-	-	-
Investment income	-	-	-	-	-
Use of money and property	176,320	162,086	102,469	84,903	137,906
Other	421,595	1,132,388	604,953	1,099,809	1,941,493
<b>Total revenues</b>	<b>15,934,097</b>	<b>16,934,317</b>	<b>16,974,205</b>	<b>17,978,602</b>	<b>20,169,653</b>
<b>Expenditures:</b>					
General government	3,433,354	4,363,499	3,230,362	3,057,761	3,085,499
Public safety	7,848,577	9,531,715	7,614,262	7,945,912	8,238,659
Public works	2,278,876	2,263,950	2,301,953	2,075,777	2,215,596
Community development	1,079,651	1,103,618	953,383	955,907	1,360,192
Community services	224,884	268,603	244,955	284,884	259,809
Capital outlay	1,134,878	1,644,750	2,048,301	7,638,942	3,452,914
Debt service:					
Principal retirement	424,079	444,385	239,900	280,700	155,925
Interest	282,725	265,360	155,519	77,283	439,464
Payment to refunded bond escrow agent	-	-	1,545,000	-	-
Pass-through payments	453,250	281,387	7,147	-	-
<b>Total expenses</b>	<b>17,160,274</b>	<b>20,167,267</b>	<b>18,340,782</b>	<b>22,317,166</b>	<b>19,208,058</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,226,177)</b>	<b>(3,232,950)</b>	<b>(1,366,577)</b>	<b>(4,338,564)</b>	<b>961,595</b>
<b>Other financing sources (uses):</b>					
Transfers in	857,227	874,996	2,560,970	742,322	1,319,473
Transfers out	(857,227)	(874,996)	(2,560,970)	(742,322)	(1,319,473)
Contributions to Successor Agency	-	-	-	(834,007)	(10,000)
Refunding Bonds issued	-	-	1,388,300	-	-
Other Debts Issued	-	-	818,696	-	-
Bond Discount	-	-	(10,650)	-	-
Contributions to OPEB Trust Fund	-	-	-	-	-
Long-term debt issued	-	-	(24,062)	-	5,500,000
Capital leases	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,172,284</b>	<b>(834,007)</b>	<b>5,490,000</b>
Extraordinary Gain/(Loss) on dissolution of Redevelopment Agency (Note 16)	-	-	\$ (366,005)	\$ -	-
<b>Net change in fund balances / net position</b>	<b>\$ (1,226,177)</b>	<b>\$ (3,232,950)</b>	<b>\$ 439,702</b>	<b>\$ (5,172,571)</b>	<b>6,451,595</b>
<b>Capital assets used in debt service calculation*</b>	<b>\$ 963,854</b>	<b>\$ 1,364,025</b>	<b>\$ 2,055,611</b>	<b>\$ 7,859,585</b>	<b>\$ 3,527,607</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.4%</b>	<b>3.8%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>3.8%</b>

\* 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.

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	13,727,132	\$	14,719,229	\$	15,109,053	\$	15,945,223	\$	17,275,214
	2,674,057		3,069,673		3,185,272		3,498,266		3,665,899
	461,687		471,581		527,146		508,549		486,891
	1,001,943		1,313,658		1,699,140		1,584,561		2,230,614
	392,683		502,921		495,885		479,933		502,249
	-		-		-		-		-
	-		-		-		-		-
	136,763		261,466		283,828		286,867		1,100,795
	961,755		735,521		785,872		1,061,983		975,510
	<b>19,356,020</b>		<b>21,074,049</b>		<b>22,086,196</b>		<b>23,365,382</b>		<b>26,237,172</b>
	3,222,933		3,500,443		3,777,819		3,820,029		4,191,376
	8,315,766		8,912,742		9,070,746		9,831,070		10,243,546
	2,322,090		2,463,442		2,509,194		2,628,777		2,975,518
	1,291,073		1,380,934		1,721,715		1,574,333		1,523,428
	275,790		278,481		760,475		328,755		830,315
	1,773,690		2,190,316		1,473,835		2,417,383		5,763,230
	155,930		161,086		288,487		296,366		303,971
	388,523		383,130		392,219		383,487		374,519
	-		-		-		-		-
	-		-		-		-		-
	<b>17,745,795</b>		<b>19,270,574</b>		<b>19,994,490</b>		<b>21,280,200</b>		<b>26,205,903</b>
	<b>1,610,225</b>		<b>1,803,475</b>		<b>2,091,706</b>		<b>2,085,182</b>		<b>31,269</b>
	446,865		743,400		1,576,800		997,300		2,636,370
	(446,865)		(743,400)		(1,576,800)		(997,300)		(2,636,370)
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		(135,000)		-		-		-
	-		614,759		-		-		-
	-		-		-		-		-
	-		<b>479,759</b>		-		-		-
	-		-		-		-		-
	<b>1,610,225</b>		<b>2,283,234</b>		<b>2,091,706</b>		<b>2,085,182</b>		<b>31,269</b>
\$	<b>1,764,750</b>	\$	<b>2,194,361</b>	\$	<b>1,440,550</b>	\$	<b>2,432,556</b>	\$	<b>5,754,228</b>
	3.4%		3.2%		3.7%		3.6%		3.3%

**THIS PAGE INTENTIONALLY LEFT BLANK**



# ***Revenue Capacity***

**THIS PAGE INTENTIONALLY LEFT BLANK**

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	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>a</sup>	Taxable Assessed Value as a Percentage of Actual Taxable Value
2010	2,919,582	352,525	168,139	-	3,440,246	0.1797%	N/A	N/A
2011	2,925,829	343,837	158,782	-	3,428,448	0.1780%	N/A	N/A
2012	2,990,970	352,417	158,210	-	3,501,597	0.1800%	N/A	N/A
2013	3,053,864	459,003	156,019	-	3,668,886	0.1800%	N/A	N/A
2014	3,150,064	457,092	154,207	-	3,761,363	0.1803%	N/A	N/A
2015	3,348,897	471,453	159,027	-	3,979,377	0.1779%	N/A	N/A
2016	3,549,149	490,565	161,797	-	4,201,511	0.1778%	N/A	N/A
2017	3,750,959	504,604	173,545	-	4,429,108	0.1779%	N/A	N/A
2018	3,974,035	567,922	182,779	-	4,724,736	0.1778%	N/A	N/A
2019	4,237,025	598,064	202,769	-	5,037,858	0.1778%	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 2009/10 - 2018/19 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**

<b>Fiscal Year</b>	<b>General Basic Tax Levy</b>	<b>Municipal Improvement District</b>	<b>Lighting District</b>	<b>Total City's Share of 1% Levy per Prop 13</b>
2010	0.1602	0.0037	0.00955	0.1735
2011	0.1602	0.0037	0.00955	0.1735
2012	0.1602	0.0037	0.00955	0.1735
2013	0.1602	0.0037	0.00955	0.1735
2014	0.1602	0.0037	0.00955	0.1735
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

**Overlapping Rates**

<b>Fiscal Year</b>	<b>San Diego County (1)</b>	<b>Carlsbad/Oceanside/Vista Projects</b>	<b>School Districts</b>	<b>Community College</b>	<b>Santa Fe Irrigation District (2)</b>
2010	0.167550	0.0004	0.40281	0.10486	0.025350
2011	0.167550	0.0004	0.40281	0.10486	0.025350
2012	0.167550	0.0004	0.40281	0.10486	0.025350
2013	0.167550	0.0004	0.40281	0.10486	0.025350
2014	0.167550	0.0004	0.40281	0.10486	0.025350
2015	0.167550	0.0004	0.40281	0.10486	0.025340
2016	0.167550	0.0004	0.40281	0.10486	0.025340
2017	0.167550	0.0004	0.40281	0.10486	0.025340
2018	0.167490	0.0004	0.40285	0.10490	0.025330
2019	0.167490	0.0004	0.40293	0.10490	0.025330

(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 2018/19 Annual Tax Increment Tables and HdL Coren and Cone.

**Overlapping Rates**

<b>Educational Revenue Augmentation</b>	<b>Voter Approved (3)</b>					<b>Total Direct &amp; Overlapping Tax Rate</b>
	<b>Solana Beach School District Prop JJ Debt Service</b>	<b>Metropolitan Water District Debt Service</b>	<b>Santa Fe Irrigation Tax Rate Reduction</b>	<b>Mira Costa Comm College 2016A</b>	<b>San Dieguito Prop Aa 11/6/2013 2013A A1</b>	
0.12551	-	0.0043	-	-	-	1.00430
0.12551	-	0.0037	-	-	-	1.00370
0.12551	-	0.0037	-	-	-	1.00370
0.12551	-	0.0035	-	-	-	1.00350
0.12551	-	0.0035	-	-	0.0378	1.04131
0.12551	-	0.0035	-	-	0.0215	1.02497
0.12551	-	0.0035	-	-	0.0227	1.02622
0.12551	-	0.0035	-	-	0.0228	1.02625
0.12550	0.03093	0.0035	-	0.01443	0.0223	1.07115
0.12550	0.02886	0.0035	-	0.01294	0.0230	1.06828

**CITY OF SOLANA BEACH**

**Principal Property Tax Payers,  
Current Year and Ten Years Ago**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<b><u>For the Fiscal Year Ended June 30, 2019</u></b>		
S B T C Holdings LLC	\$ 99,411,247	1.99%
Pacific Solana Beach Holdings LP	69,301,721	1.39%
SB Coporate Centre III-IV LLC	57,531,036	1.15%
GRE Beachwalk LLC (Pending Appeals on Parcels)	33,915,000	0.68%
Sanyo Foods Corporation of America	32,736,648	0.66%
Fenton Solana Highlands LLC	31,052,063	0.62%
E R P Operating LP	19,909,643	0.40%
Lavida Delmar Asscs LP	17,889,460	0.36%
Showprop Monrovia II LLC	16,126,200	0.32%
Hankey Investment Company LP	15,259,883	0.31%
Total	<u>\$ 393,132,901</u>	<u>7.89%</u>
<b><u>For the Fiscal Year Ended June 30, 2010</u></b>		
SB Towne Centre	\$ 68,777,407	2.03%
Sanyo Foods Corporation of America	29,271,116	0.86%
Muller-Beachwalk LLC	29,183,220	0.86%
Pacific Solana Beach Holdings LP	29,026,313	0.85%
Fenton Solana Highlands LLC	27,511,909	0.81%
E R P Operating LP	17,631,713	0.52%
445 Marine View LLC	16,875,000	0.50%
Lavida Delmar Asscs LP	15,532,532	0.46%
Urschel Laboratories Inc	12,779,612	0.38%
Price Self Storage Solana Beach	12,430,687	0.37%
Total	<u>\$ 259,019,509</u>	<u>7.63%</u>

**Source:** HdL Coren & Cone and San Diego  
County Assessor 2009/10 & 2018/19

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
2010	5,781,014	5,407,172	93.5%	206,031	5,613,203	97%
2011	5,741,547	5,440,612	94.8%	-	5,440,612	95%
2012	5,770,042	5,489,946	95.1%	-	5,489,946	95%
2013	6,110,404	5,832,325	95.4%	258,145	6,090,470	100%
2014	6,303,038	6,033,082	95.7%	252,973	6,286,055	100%
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%

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



# ***Debt Capacity***

CITY OF SOLANA BEACH

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years  
(dollars in thousands, except per capita)

Fiscal Year	Government Activities				Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	2002 ABAG Lease Revenue Bonds	Refunding Lease ABAG	Bonds	Capital Leases	Loans			
2009*	2,100,000	-	3,435,000	568,999	16,620,000	22,723,999	3.66%	0.0027
2010*	1,875,000	-	3,370,000	434,920	15,915,000	21,594,920	3.78%	0.0028
2011**	1,640,000	-	3,300,000	295,535	15,409,277	20,644,812	3.20%	0.0023
2012*	-	1,388,300	-	958,681	14,132,771	16,479,752	4.20%	0.0032
2013*	-	1,279,300	-	787,950	13,095,631	15,162,881	4.58%	0.0035
2014*	-	1,166,600	5,500,000	745,693	12,175,456	19,587,749	3.56%	0.0027
2015*	-	1,055,400	5,500,000	701,931	11,273,883	18,531,214	3.95%	0.0030
2016	-	940,600	5,500,000	1,271,372	10,339,405	18,051,377	4.05%	0.0031
2017	-	817,200	5,500,000	1,113,062	9,373,587	16,803,849	4.85%	0.0036
2018	-	690,400	5,500,000	943,496	19,146,912	26,280,808	3.10%	0.0023
2019	-	560,600	5,500,000	769,326	18,064,945	24,894,871	3.52%	0.0025

Notes:

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

<sup>a</sup> 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

\*\* Prior year adjusted to comply with GFOA comment GASB-S44 23- included bonds to schedule

**CITY OF SOLANA BEACH**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2019**

**Fiscal Year 2018-19 Assessed Valuation :** \$5,038,447,175

<u>Direct Debt:</u>	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City (1)</u>	<u>Net Bonded Debt</u>
City of Solana Beach Lease Agreement	\$ 560,600	100.000%	(3) \$ 560,600
City of Solana Beach Capital Lease Obligation	\$ 769,325	100.000%	769,325
Total Direct Debt			<u>\$ 1,329,925</u>
 <b><u>Overlapping Debt:</u></b>			
Metropolitan Water District	\$ 48,050,000	0.173%	\$ 83,127
Mira Costa Community College District	\$ 85,850,000	4.659%	\$ 3,999,752
San Dieguito Union High School District	333,920,000	7.629%	\$ 25,474,757
San Dieguito Union High School District Community Facilities District No. 95-1	29,250,000	3.274%	\$ 957,645
Solana Beach School District School Facilities Improvement District No. 2016-1	100,450,000	31.883%	\$ 32,026,474
City of Solana Beach 1915 Act Bonds	2,390,000	100.000%	\$ 2,390,000
Olivenhain Municipal Water District, Assessment District No. 96-1	9,765,000	0.59%	\$ 57,614
San Diego County General Fund Obligations	255,365,000	0.958%	\$ 2,446,397
San Diego County Pension Obligations	508,765,000	0.958%	\$ 4,873,969
San Diego County Superintendent of Schools General Fund Obligations	10,085,000	0.958%	\$ 96,614
Mira Costa Community College District Certificates of Participation	150,000	4.659%	\$ 6,989
San Dieguito Union High School District Certificates of Participation	12,730,000	7.629%	\$ 971,172
Overlapping Tax Increment Debt	2,527,700	100.000%	<u>\$ 2,527,700</u>
Total Overlapping Debt			<u>\$ 75,912,209</u>
Total Direct and Overlapping Debt			<u>(2) \$ 77,242,134</u>

**Debt to Assessed Valuation Ratios :**

Direct Debt	0.03%
Overlapping Debt	1.51%
Total Debt	1.53%

**Note:** (1) - Percentage of overlapping agency's assess 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.

(3) Includes the Unamortized Bond Discount

**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 2019**

Assessed value	\$ 5,038,447
Debt limit (15% of assessed value)	755,767
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 755,767</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>
2009	495,650	-	495,650	100.00%
2010	504,121	-	504,121	100.00%
2011	502,577	-	502,577	100.00%
2012	513,291	-	513,291	100.00%
2013	550,417	-	550,417	100.00%
2014	564,290	-	564,290	100.00%
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%

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 &amp; Property</u>	<u>Lease/Rents</u>	<u>Less: Expenditures</u>	<u>Net Available Revenue</u>
2010*	8,291	320,756	1,676	327,371
2011*	8,210	321,263	1,627	327,846
2012*	4,122	154,349	-	158,471
2013*	-	154,280	-	154,280
2014*	-	148,974	-	148,974
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

<u>Fiscal Year</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Principal</u>	<u>Interest</u>	
2010*	225,000	95,756	1.02
2011*	235,000	86,263	1.00
2012*	109,000	45,349	1.03
2013*	112,700	41,580	1.00
2014*	111,200	37,774	1.00
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

**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

**THIS PAGE INTENTIONALLY LEFT BLANK**

# ***Demographic and Economic Information***

CITY OF SOLANA BEACH

Demographic and Economic Statistics  
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	13,600	815,227	59,947	6.6%
2010	13,783	659,875	47,876	7.2%
2011	13,000	691,899	53,223	6.8%
2012	12,987	695,142	53,526	4.7%
2013	13,099	697,561	53,253	4.1%
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	59,578	1.7%
2018	13,933	875,833	62,860	1.7%

Sources: HdL Coren & Cone report prepared on 10/24/19



CITY OF SOLANA BEACH

25 MAJOR EMPLOYERS - SAN DIEGO COUNTY  
AS OF 2019

Employer	Category	Business category
Barona Resort & Casino	1	Casinos
Ceasar Entertainment	1	Amusement & Recreation NEC
Employee's Association SDG-E	1	Associations
General Dynamics Nassco	1	Ship Builders & Repairers (Mfrs)
Illumina Inc	1	Biotechnology Products & Services
Kaiser Permanente Zion Med Ctr	1	Health Services
Merchants Building Maintenance	1	Janitor Service
Palomar Medical Ctr Downtown	1	Hospitals
Rady's Children's Hospital	1	Hospitals
Respiratory Support Prod Inc	1	Nonclassified Establishments
San Diego County Sheriff	1	Police Departments
Scripps Mercy Hospital	1	Hospitals
Scripps Research Institute	1	Laboratories-Research & Development
Sea World-San Diego	1	Amusement & Theme Parks
Sharp Mary Birch Hospital	1	Hospitals
Sharp Memorial Hospital	1	Hospitals
Sony Electronics	1	Electronic Equipment & Supplies-Retail
Kaiser Permanente Vandever Med	2	Physicians & Surgeons
San Diego Community College	2	Junior-Community College- Tech Institutes
UC San Diego Health	2	Hospitals
32nd St Naval Station	3	Federal Government-National Security
Mccs Mcrd	3	Military Bases
UCSD	3	College & University Placement Svc
University of California	3	University-College Dept/Facility/Office
Univesity-California Sn Diego	3	University-College Dept/Facility/Office

**Source:**

State of California- Employee Development Department- Major Employers in San Diego for 2019

**Categories**

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

Employer information specific to the City of Solana Beach is not readily available\*

\* Due to unreliable data, the Top Employer Report is no longer offered by HdL Coren & Cone

**THIS PAGE INTENTIONALLY LEFT BLANK**

## ***Operating Information***

CITY OF SOLANA BEACH

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

Fiscal Years:	2011	2012	2013	2014	2015
<b>Function/Program</b>					
General government					
City Council	0.20	0.20	0.20	0.20	0.20
City Clerk	2.75	2.75	2.65	2.60	3.10
City Manager	1.92	1.92	1.84	1.74	2.05
Legal Services	0.25	0.25	0.25	0.25	0.25
Finance	3.40	3.40	3.35	3.80	3.55
Non Departmental	-	-	-	-	-
Personnel	1.10	1.10	0.98	0.95	1.00
Info/Communication Systems	1.00	1.00	1.00	1.00	1.00
Community Development	5.50	5.50	5.50	5.40	6.00
Public Safety					
Fire	19.22	19.22	19.95	19.95	19.95
Code Enforcement	1.78	1.78	1.75	1.75	1.80
Marine Safety	8.08	8.08	8.06	8.06	8.06
Junior Lifeguards	3.73	3.73	3.73	3.73	3.73
Public Works					
Engineering	2.31	2.31	2.48	2.41	2.28
Environmental/Flood Control	1.10	1.10	1.10	1.10	1.10
Street Maintenance	2.90	2.90	2.90	2.90	2.95
Park Maintenance	1.35	1.35	1.35	1.35	1.35
Recreation & Community Services					
Community Services	0.95	0.95	0.95	0.95	0.95
Recreation	2.59	2.59	2.59	1.49	1.85
Sanitation	2.93	2.93	2.93	2.98	2.93
Improvement Districts	0.95	0.95	0.95	0.95	0.9
Redevelopment Agency	0.50	0.50	0.60	1.05	0.90
Solana Energy Alliance*	-	-	-	-	-
Total Personnel	<u>64.51</u>	<u>64.51</u>	<u>65.11</u>	<u>64.61</u>	<u>65.90</u>

N/A - Data Not Available

**Notes:** A full-time employee is scheduled to work 2,080 hours per Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

\*Solana Energy Alliance started mid FY18

**Source:** City of Solana Beach's Annual Budget

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>
0.20	0.20	0.20	0.20	0.20
3.10	3.10	3.10	3.10	3.10
2.05	1.80	1.90	1.90	1.90
0.25	0.25	0.25	0.25	0.25
3.55	3.55	3.45	3.45	3.05
-	-	-	-	-
1.00	1.15	0.95	0.95	0.95
1.00	1.00	1.00	1.00	1.00
6.00	5.80	5.80	5.80	5.80
19.95	19.95	20.20	20.20	20.20
1.80	1.80	1.80	1.80	1.80
9.49	9.49	9.29	9.29	9.29
3.53	4.03	4.23	4.23	4.23
2.13	2.73	2.73	2.73	2.73
1.10	1.05	1.05	1.05	1.05
2.95	2.95	2.95	2.95	2.95
1.35	1.35	1.35	1.35	1.35
0.95	0.90	0.90	0.90	0.65
1.85	1.80	1.55	1.55	1.50
3.22	3.12	3.37	3.37	3.37
0.9	0.9	0.9	0.9	0.9
0.90	1.10	0.80	0.80	0.80
-	-	-	-	0.75
<u>67.27</u>	<u>68.02</u>	<u>67.77</u>	<u>67.77</u>	<u>67.82</u>

CITY OF SOLANA BEACH

Operating Indicators by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Community development					
Number of:					
Business licenses (A)	1641	1943	1877	2023	2147
Plan checks (B)	322	125	211	225	276
Code violations (calendar basis)	510	1184	1277	1458	1467
Police (Calendar basis)					
Number of calls for service (C):					
Priority 1	11	11	12	11	27
Priority 2	504	426	501	480	498
Priority 3	1836	1777	1689	1711	1624
Priority 4	1259	1110	1199	1156	1037
FBI Index Crimes	265	276	337	321	210
Fire					
Emergency Responses	1438	1588	1093	1736	1702
Training Hours	2634	5304	n/a	5090	7079.67
Plan Checks	101	62	161	335	92
Public works					
Miles of:					
Street resurfacing/ repair	60000**	60000**	180000**	150000**	150000**
Street sweeping	900	900	900	900	900
Number of:					
Street signal maintained	168	168	168	168	192
Trees pruned per year	287	10	158	500	158
Recreation & community services					
Number of enrollees:					
Day camp (Calendar basis)	212	271	315	385	280
Classes (classes offered to san digueto adult school)	78	48	35	35	N/A
Mira Costa College Community Education, # of students	N/A	N/A	N/A	N/A	N/A
Special events (attendees)	8200	10200	11250	N/A	7350

N/A - Data not available

(A) - Includes new & renewal licenses, excludes temporary licenses

(B) - Excludes temporary plan checks.

(C) - Numbers adjusted and updated on CAFR FY16-17 for FY08-FY17 numbers to count only complete calls for service.

**Sources:** Various city departments.

\* Street Repair in Miles

\*\* Street repair in Square Feet (SF)

\*\*\* Classes offered by Mira Costa College

Fiscal Year				
2015	2016	2017	2018	2019
1957	2068	2007	2055	2345
275	304	284	319	319
1016	1240	1124	2513	2656
12	13	7	11	218
467	437	343	470	1321
1712	1740	1141	1825	394
1225	1110	826	1181	703
305	240	173	227	139
1798	1810	1883	1859	1792
6178	5997	4695.6	4687	6350
289	380	390	375	375
550000**	5.3*	1.7*	1.9	3.8
900*	900*	900*	504	504
192	192	192	192	192
40	40	500	274	280
329	266	315	322	315
144	***N/A	***N/A	***N/A	***N/A
N/A	N/A	N/A	720	700
10600	7800	8300	7400	7700

CITY OF SOLANA BEACH

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Safety					
Code enforcement vehicles	2	2	2	2	2
Fire					
Stations	1	1	1	1	1
Fire Engines	4	4	4	4	4
Other vehicles	2	2	2	2	1
Public works					
Streets (miles)	46	46	46	46	46
Street lights (city-owned)	748	748	748	748	748
Traffic signals	13	13	13	16	18
Public works vehicles	7	7	7	7	8
Public works Corporation Yard	1	1	1	1	1
Recreation & community service					
Community centers	2	2	2	2	2
Parks	3	3	3	3	3
Marine Safety					
Lifeguard Stations (Permanent)*	3	3	3	3	3
Lifeguard Stations (Temporary)	N/A	N/A	N/A	N/A	N/A
Vehicles	5	5	5	5	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.



Fiscal Year				
2015	2016	2017	2018	2019
2	2	2	2	2
1	1	1	1	1
3	3	3	3	2
2	2	2	2	3
42	42	42	42	42
527	527	527	525	525
16	16	16	16	16
11	11	12	8	8
1	1	1	1	1
2	2	2	2	2
3	3	3	2	2
3	3	6	6	3
N/A	N/A	N/A	N/A	3
4	4	5	5	5

**THIS PAGE INTENTIONALLY LEFT BLANK**