



CITY OF SOLANA BEACH, CA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2025

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**CITY OF SOLANA BEACH, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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

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CITY OF SOLANA BEACH, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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CITY OF SOLANA BEACH

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

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December 12, 2025

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

It is with great pleasure that we present to you the City of Solana Beach (City) Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025.

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

The ACFR includes the financial activity for all funds of the City. The City provides a wide range of services including planning; public works; engineering; maintenance of streets, parks, and public facilities; community services and recreation; fire and marine safety; sanitation; and general administrative activities. Contracted services include, but are not limited to, building services through a third-party consultant, law enforcement support from the San Diego County Sheriff's Office and animal control services through the San Diego Humane Society.

Internal Controls

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

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

Annual Audit

Davis Farr LLP, appointed by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, are free of material misstatements. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that the City has complied with applicable laws and regulations.

The results of the City's annual audit for the fiscal year ended June 30, 2025, provided no instance of material weakness in the internal control structure and no violations of applicable laws and regulations. The independent auditor concluded there was a reasonable basis for rendering an unmodified opinion and the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MDA)

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

Government Profile

The City was incorporated on July 1, 1986, under the general laws of the State of California and is home to a population of 12,841 residents per the Bureau of Labor and Statistics. Included within the City's financial statements is the financial information of the Solana Beach Public Facilities Corporation. The City is considered the primary government, and the Public Facilities Corporation is a component unit. Additionally, since the governing boards of the City and the component unit are the same, the financial statements of the City and the component unit are blended.

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

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

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

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

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

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

The Advisory Commissions are the following:

- Budget & Finance Commission
- Climate & Resiliency 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 2025, the Council approved a two-year budget for Fiscal Years (FY) 2026 and 2027. The budget is amended from time to time during this two-year budget cycle, with budget adjustments brought before the Council for review and approval. The final General Fund Budget as amended is presented in the Required Supplementary Information section of this report.

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

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

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The adopted budget for Fiscal Year 2026 & 2027 was prepared in accordance with Generally Accepted Accounting Principles.

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

Economic Condition and Outlook

Information presented in the City's financial statements is best understood within the context of our broader economic conditions. Based on the most recent estimates from the Bureau of Economic Analysis, Real Gross Domestic Product (GDP) increased at an annual rate of 3.0% in the second quarter of 2025.

In July 2025, the U.S. Bureau of Labor Statistics (BLS) reported the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% on a seasonally adjusted basis, after rising 0.3% in June.

The index for all items rose 2.7% over the past 12 months, ending July 2025, after rising 2.7% over the 12 months ending June.

Local Economy

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

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

The local economy is primarily based on small to medium sized retail establishments and

specialty stores selling general merchandise, furniture, arts and crafts, clothing, food, and gasoline. Local economic generators such as vacation tourism support a significant portion of the City's commercial base.

The United States Bureau of Labor Statistics (BLS) reported the San Diego County unemployment rate was 5.2% in July 2025. The region's unemployment rate remained lower than California's unemployment rate of 6.1% in July 2025.

Solana Beach housing prices continue to increase. According to the San Diego Association of Realtors, the median single family home price in Solana Beach in August 2025 was \$3.7 Million, compared to \$2.4 Million the year prior. The San Diego region's median home price was \$1,075,000 in June 2025, an increase of 5.3% as compared to the same month in 2024.

In June 2024, Governor Gavin Newsom signed a \$321.1 billion budget for the 2026 fiscal year, an increase of 8.6% from the FY 2025 budget. The state budget includes a \$228.4 Billion General Fund, a 7.9% increase, as compared to the adopted FY 2025 budget appropriations. The largest increases were in Health & Human Services (\$6.7 Billion) and Higher Education Expenditures (\$500 Million).

Long-Term Financial Planning

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

For FY 2026, budgeted property taxes are expected to increase as compared to actual amounts received for the prior fiscal year. Sales tax is also projected to realize an increase as the local economy continues to rebound from the pandemic.

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

Relevant Financial Policies

The City of Solana Beach has financial policies that help guide it during the preparation of the annual budget. One such policy is the 20% reserve goal. This policy, as in the adoption of the FYs 2026 and 2027 Budgets, is one that has been continuously adhered to by Council.

The Equipment Replacement Reserve Fund is used to provide for the replacement of the City's existing equipment, vehicles, computers, and furnishings and the City's financial policy is to annually budget funds for this Reserve. During the FYs 2026 and 2027 budget process, the Council again ensured that funds were appropriated to maintain adequate reserves in the Equipment Replacement Fund. Through the end of FY 2025, the unreserved balance in this fund is \$5,255,729.

The City established a Facilities Replacement Fund to ensure that funds are available in the future for the replacement of buildings and improvements. At the end of FY 2025, the unreserved balance in this fund is \$1,299,384.

Cash Management Policies and Practices

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

The City's longstanding Investment Policy was re-adopted by the Council on June 18, 2025, 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 earn the highest and best returns.

Investment income includes appreciation/depreciation in the fair value of investments. The total investment gain for all funds for the fiscal year ended June 30, 2025, was \$2,704,341 (\$2,044,509 investment income received plus \$659,832 gain on the fair value), a decrease of \$95,562 from the prior fiscal year's investment gain amount of \$2,799,903.

City Work Plan – FY 2026

The Fiscal Year 2026 Work Plan is a guiding document that includes all the Council's priority projects. This FY 2026 Work Plan focuses on five legislative priority areas as the Council directs Staff on projects and programs: Affordable Housing and Livable Communities, Transportation and Mobility, Environmental Sustainability and Energy, Youth, Senior, and Community Well-Being, and General Governance and Fiscal Responsibility with the knowledge that all areas of priority are important to the overall sustainability of the City.

On April 23, 2025, the Council held a public workshop to discuss the draft Fiscal Year 2025/2026 Work Plan and to accept public comments. At that public workshop, Council recommended changes to the draft Work Plan presented by City Staff. The revised Work Plan was then brought back to Council at the May 21, 2025, Council meeting, where additional revisions were directed by the Council.

The revised final Fiscal Year 2026 Work Plan was brought back to Council for final consideration and was approved by the Council on June 18, 2025.

This Fiscal Year 2026 Work Plan will be added as a supplement item to our Fiscal Year 2025 Annual Comprehensive Financial Report to highlight the FY 2026 priorities and upcoming projects in greater detail.

Major Projects and Financial Planning

Fletcher Cove and the Marine Safety Center

The Marine Safety Center (MSC) at Fletcher Cove is the City's primary ocean-safety and lifeguard operations facility, supporting daily public safety functions, emergency response, rescues, and beach activity. The project is located at the top of Fletcher Cove and includes reconstruction of the existing building and upgrades to support year-round operations and public access.

The project will replace the 1940s facility with a modern lifeguard station that meets operational needs, improves emergency response capability, and integrates with the surrounding coastal environment. A needs assessment and feasibility study began in FY 2015/16 under a Professional Services Agreement with Stephen Dalton Architects, which confirmed that nearly all building components were past their useful life. A Professional Services Agreement with Domus Studio Architects was approved in 2018 to begin preliminary design. Community outreach occurred in 2019, followed by City Council presentations in November 2019 and October 2020, where Council directed Staff to proceed with an above-ground design option. Additional refined concepts were presented in 2023 and 2024, including review of potential view impacts.

The design team met with California Coastal Commission staff in August 2024, and updated story poles reflecting the January 2024 design were installed in September 2024. In December 2024, the Council approved the Development Review Permit, Site Development Permit, and Conditional Use Permit. Technical studies are currently being prepared for the Coastal Development Permit application, which is anticipated to be submitted to California Coastal Commission in early 2026.

In addition to the Marine Safety Center project, the City is making improvements to the beach access ramp, restrooms, and storm drain infrastructure at Fletcher Cove. These upgrades enhance public access to the beach, address aging facilities, and improve long-term durability and safety in this highly used coastal area. Design and construction advertisement were completed in FY 2024/25, and the construction contract was awarded by the City Council in July 2025. The project is currently under construction and is anticipated to be completed in early 2026.



Existing Marine Safety Center



Marine Safety Center Concept 2024

Pavement Management Program

The City's paved roadway network includes over 46 miles of streets across arterial, collector, and local classifications. The City's Pavement Management Program (PMP) evaluates pavement conditions and develops a five-year work plan for each street segment based on condition, traffic use, lifecycle cost, and available budget.

Over the past decade, the roadway network has improved due to increased funding and implementation of a formal PMP. A key component of this evaluation is the Pavement Condition Index (PCI), a nationally standardized rating system (0–100) used to measure pavement condition. In 2021, the City's PCI was 73.4 ("Very Good"), an improvement from the 2016 PCI of 68 ("Good"). The next full condition assessment is scheduled for Fiscal Year 2026–27, which will update the City's pavement priorities and deterioration modeling.

Based on the 2021 assessment, a five-year work plan was developed to guide pavement repairs and maintenance. This plan is used annually to select street segments for the City's Street Maintenance and Repair Program. The program is primarily funded through Gas Tax, SB 1, and TransNet revenues. In addition, the City Council approved the use of Measure S funding for FY 2024 and FY 2025, reflecting a priority identified by Measure S supporters. The continued investment demonstrates the City's commitment to maintaining high-quality streets and continuing a proactive pavement management program.

Construction for the FY 2023/24 Roadway Maintenance and Repair Project (\$1.1 million) began in July 2024, with the Notice of Completion approved by City Council in July 2025. Projects for FY 2024/25 and FY 2025/26 were approved by City Council in March 2025, and the combined construction contract (\$2.1 million) was awarded in July 2025. Construction is anticipated to be completed in Spring 2026.

Sewer & Storm Drain Management Program

The City maintains approximately 53 miles of sewer pipelines and 15 miles of storm drain infrastructure. The wastewater collection system includes sewer mains, low-flow diverters at Fletcher Cove and Seaside Sur, the San Elijo Lagoon siphon structure, and sewer laterals at City facilities.

Ongoing preventative maintenance and targeted rehabilitation reduce emergency response needs, extend the life of underground assets, and support reliable operation of the City's wastewater and storm drain systems while protecting public health, water quality, and roadway infrastructure. In addition to routine cleaning, the City's service agreements include video inspection and on-call response, allowing Staff to identify structural deficiencies, prioritize segments for cleaning or repair, and guide replacement or trenchless lining projects. The City also contracts for pipe replacement and lining to extend pipeline service life, and this targeted approach reduces the risk of sewer spills and storm drain failures, limiting damage to City streets and private property.

City Council approved the construction contract for the FY 2024/25 Sewer and Storm Drain Rehabilitation Project (\$1.1) in March 2025, and construction was completed in October 2025. In June 2025 Council approved the FY 2024/25 Sewer and Storm Drain Lining Project (\$0.6

million) and the project is anticipated to be completed in Spring 2026.

Lomas Santa Fe Corridor Project

Lomas Santa Fe Drive is a key east–west corridor in the City, connecting neighborhoods to schools, parks, the train station, and the Cedros commercial district. The Lomas Santa Fe Corridor Project extends from Cedros Avenue on the east side of Highway 101 to Highland Drive at the City’s eastern boundary. The project is comprised of an east and west phase and is designed to improve connectivity, circulation, and access for pedestrians, cyclists, and drivers. The project is identified in the City’s Comprehensive Active Transportation Strategy (CATS) and Safe Routes to School Plan.

The design of the project was completed in November 2021 and was funded primarily through a grant from SANDAG. Design included a multi-use path on the north side of LSF, striping and signal improvements, added parking, landscaping, and other items intended to slow down traffic and increase use of the corridor by pedestrians and bicycles. In 2022, the City coordinated with Congressman Mike Levin’s office to request a grant for construction funding for the Lomas Santa Fe-East Improvement Project. A federal grant was received in May 2023 in the amount of \$7.0 million through the National Infrastructure Investment and Jobs Act. It was determined that the grant award would allow for the construction of the project on the east side of Interstate 5, from Santa Helena to Highland Drive. Council has also allocated surplus funds to this project to cover anticipated costs that have escalated since the design process concluded.

Because of federal funding, Caltrans serves as the delegated authority for construction authorization. In August 2025, the City received Caltrans Authorization to Proceed with advertising the project for construction bids. Staff is currently working on securing the necessary permits from agencies such as the Santa Fe Irrigation District (SFID) and Caltrans. During the past fiscal year, Staff worked with Caltrans to obtain the Authorization to Proceed (E-76). The project is anticipated to be advertised for construction bids in Spring 2026.

In the interim, while funding opportunities continue to be explored for the western portion of Lomas Santa Fe, the City has prioritized repaving and striping of Lomas Santa Fe, west of Interstate 5 to Cedros Avenue, as part of the annual Pavement Management Plan for Fiscal Year 2025-2026.

Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Solana Beach for its ACFR for the fiscal year ended June 30, 2024. This was the twenty-third year in the past twenty-four years that the City has received this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Alyssa Muto
City Manager

Respectfully submitted,



Rachel Jacobs
Finance Director/City Treasurer



Government Finance Officers Association

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

Presented to

**City of Solana Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO

CITY OF SOLANA BEACH **LIST OF OFFICIALS AND ADVISORY BODIES**

CITY COUNCIL

LESA HEEBNER
Mayor

KRISTI BECKER
Deputy Mayor

JEWEL EDSON
Council Member

DAVID A. ZITO
Council Member

JILL MACDONALD
Council Member

ADVISORY COMMISSIONS

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

CITY ADMINISTRATION

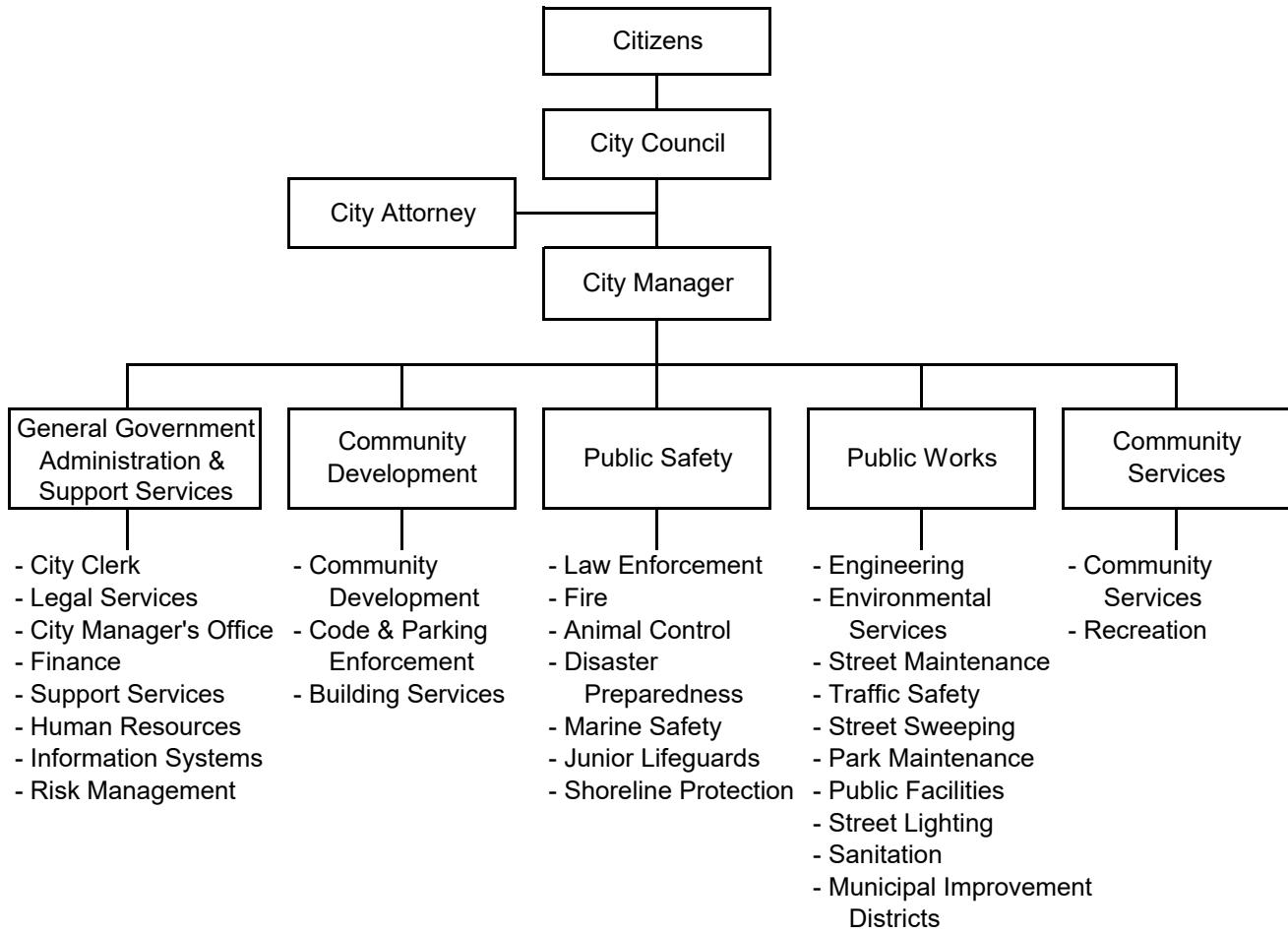
ALYSSA MUTO
City Manager

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

CITY OF SOLANA BEACH

Organizational Chart

Fiscal Year 2024-2025



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Independent Auditor's Report

City Council
City of Solana Beach
City of Solana Beach, California

Report on the Audit of the Financial Statements***Opinions***

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described further in Notes 9 and 16 to the financial statements, during the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

DavisFarr LLP

Irvine, California
December 12, 2025

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, 2025 (Fiscal Year (FY) 2025). It should be read in conjunction with the accompanying transmittal letter beginning on page i and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position increased to \$131,833,130, or by \$9,596,454, due to FY 2025 operations.
- Governmental net position equaled \$80,814,773
- The total revenues for all governmental activities were \$41,171,098.
- The total expenditures for all governmental activities were \$32,818,554.
- The General Fund reported an excess of revenues over expenditures and other financing sources and uses by \$5,895,417.
- The General Fund's actual resources exceeded the final revenue budget by \$2,306,299 while actual expenditures were \$2,805,398 less than the final budget.

USING THIS ANNUAL REPORT

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

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

Reporting the City as a Whole

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

The City as Trustee Reporting the City's Fiduciary Responsibilities

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

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

THE CITY AS A WHOLE

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

Table 1
City of Solana Beach Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 66,630,291	\$ 56,994,219	\$ 51,978,036	\$ 50,791,169	\$ 118,608,327	\$ 107,785,388
Capital assets, net	43,084,610	43,138,419	16,224,335	16,740,055	59,308,945	59,878,474
Total Assets	109,714,901	100,132,638	68,202,371	67,531,224	177,917,272	167,663,862
Deferred Outflows	5,663,236	7,501,590	730,006	934,413	6,393,242	8,436,003
Liabilities:						
Long-term debt outstanding	26,052,834	26,423,395	16,756,684	17,497,020	42,809,518	43,920,415
Other liabilities	7,901,009	7,537,687	971,229	1,112,464	8,872,238	8,650,151
Total Liabilities	33,953,843	33,961,082	17,727,913	18,609,484	51,681,756	52,570,566
Deferred Inflows	609,521	1,024,381	186,107	268,242	795,628	1,292,623
Net Position:						
Net investment in capital assets	37,417,426	37,408,264	11,378,234	11,538,399	48,795,660	48,946,663
Restricted	32,256,632	27,017,802	-	-	32,256,632	27,017,802
Unrestricted	11,140,715	8,222,699	39,640,123	38,049,512	50,780,838	46,272,211
Total Net Position	\$ 80,814,773	\$ 72,648,765	\$ 51,018,357	\$ 49,587,911	\$ 131,833,130	\$ 122,236,676

The City's combined net position for the fiscal year ended June 30, 2025, of \$131,833,130. The City's net position for governmental activities increased from \$72,648,765 to \$80,814,773. The following is an explanation of the governmental activity changes between fiscal years as shown in Table 1:

- Current and other assets increased \$9,636,072 or 16.9% primarily due to increased cash and investments.
- Capital Assets net of depreciation decreased \$53,809 or 0.1% mainly due to current year depreciation on existing assets. More information is provided in Table 5.

Changes related to Business activities are as follows:

- Current and other assets increased \$1,186,867 or 2.3% primarily due to increased cash and investments.
- Capital Assets, net of depreciation decreased \$515,720 or 3.1% primarily due to current year depreciation on existing assets. More information is provided in Table 5.

Governmental Activities

The cost of all Governmental activities in FY 2025 was \$32,818,554 as shown on Tables 2 and 2.1. Of this cost, \$4,588,451 was paid for by those who directly benefited from the programs; \$2,119,633 was subsidized by grants received from other governmental organizations for both capital and operating activities; and \$26,110,470 was financed through general City revenues.

Table 2
City of Solana Beach Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 4,588,451	\$ 3,992,269	\$ 5,726,131	\$ 5,737,058	\$ 10,314,582	\$ 9,729,327
Operating grants and contributions	2,108,508	2,115,123	-	-	2,108,508	2,115,123
Capital grants and contributions	11,125	167,072	-	-	11,125	167,072
General revenues:						
Property tax	12,982,043	12,352,534	-	-	12,982,043	12,352,534
Sales & Use Tax	9,347,509	9,470,357	-	-	9,347,509	9,470,357
Transient Tax	2,896,492	2,883,709	-	-	2,896,492	2,883,709
Franchise Tax	814,434	857,126	-	-	814,434	857,126
Motor VLF - unrestrictive	2,320,937	2,194,459	-	-	2,320,937	2,194,459
Use of Money and Prop	4,129,929	2,435,453	601,863	560,865	4,731,792	2,996,318
Other	1,971,670	1,744,556	398,066	134,739	2,369,736	1,879,295
Total revenues	41,171,098	38,212,658	6,726,060	6,432,662	47,897,158	44,645,320
Expenses:						
General government	8,019,100	5,858,330	-	-	8,019,100	5,858,330
Public safety	14,418,616	13,129,413	-	-	14,418,616	13,129,413
Public works	6,906,891	5,642,968	-	-	6,906,891	5,642,968
Community Development	2,070,234	1,518,891	-	-	2,070,234	1,518,891
Community Services	1,047,421	975,860	-	-	1,047,421	975,860
Interest	356,292	369,215	-	-	356,292	369,215
Sanitation	-	-	5,287,758	7,886,664	5,287,758	7,886,664
Solana Energy	-	-	579	1,840	579	1,840
Total expenses	32,818,554	27,494,677	5,288,337	7,888,504	38,106,891	35,383,181
Increase/(decrease) in net position	8,352,544	10,717,981	1,437,723	(1,455,842)	9,790,267	9,262,139
Net position - July 1, as previously reported	72,648,765	61,930,784	49,587,911	51,043,753	122,236,676	112,974,537
Implementation of GASB 101 (Note 16)	(186,536)	-	(7,277)	-	(193,813)	-
Net position - July 1, as restated	72,462,229	61,930,784	49,580,634	51,043,753	122,042,863	112,974,537
Net position - June 30	\$ 80,814,773	\$ 72,648,765	\$ 51,018,357	\$ 49,587,911	\$ 131,833,130	\$ 122,236,676

Items of significance within Table 2 are:

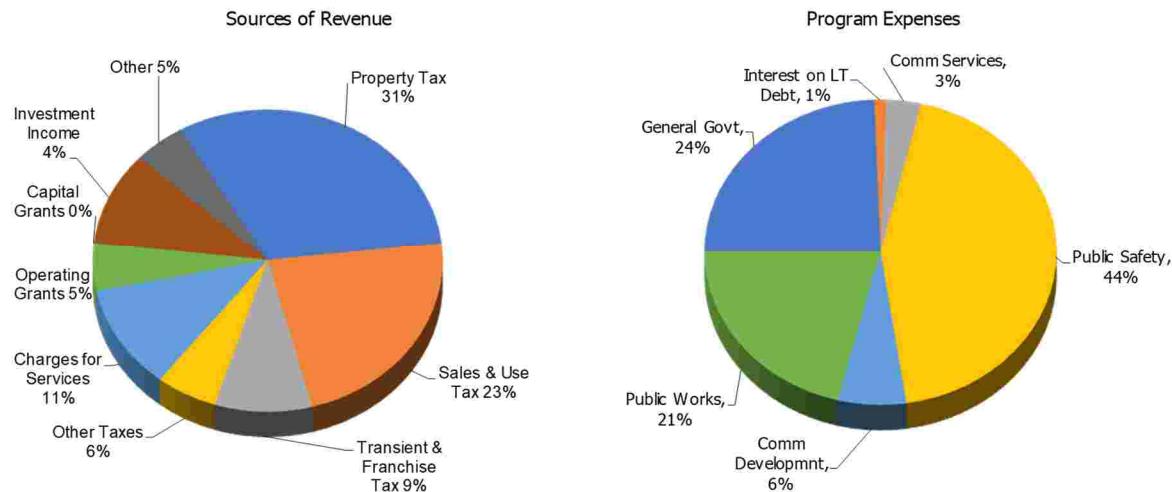
Revenues:

- Charges for Services increased by 6% or \$585,255 over the prior year fiscal year due to increased permits, plan checks, inspections and associated fees.
- Property Tax increased by 5.1% or \$629,509 over the prior fiscal year due to increased assessed values.
- Use of Money and Property increased by 57.9% or \$1,735,474 over the prior fiscal year due to Interest Income.

Expenses:

- General Government expenses increased in FY 2025 by 36.9% or \$2,160,770 from the prior fiscal year primarily due to changes in the City's Pension and Other Post Employment Benefits (OPEB) liabilities.
- Public Safety expenses increased by 9.8% or \$1,289,203 due to increased administrative costs, OPEB liabilities, CalPERS Unfunded Actuarial Liability payment, equipment maintenance costs, and contractual increases.
- Sanitation expenses decreased by 33% or \$2,598,906 due to reduced administrative costs, OPEB & Pension liabilities, and less Construction in Progress expenditures in FY25.

**Fiscal Year 2025
Governmental Activities**
(Graphic representation of Table 2 in percentages)

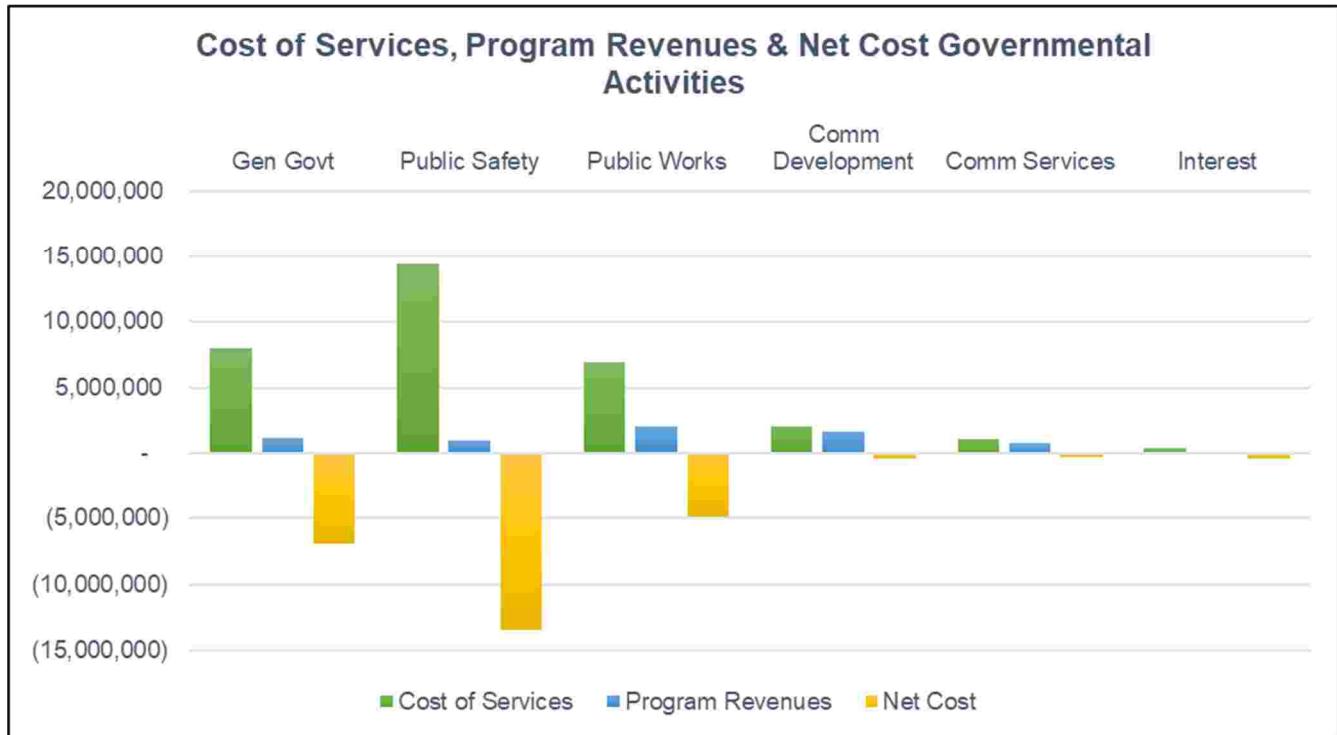


Net Cost of Governmental Activities

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

Table 2.1
Net Cost of Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2025	2024	2025	2024	2025	2024
General government	\$ 8,019,100	\$ 5,858,330	\$ 1,130,430	\$ 1,175,137	\$ (6,888,670)	\$ (4,683,193)
Public safety	14,418,616	13,129,413	1,013,760	856,636	(13,404,856)	(12,272,777)
Public works	6,906,891	5,642,968	2,092,711	1,733,794	(4,814,180)	(3,909,174)
Community development	2,070,234	1,518,891	1,663,927	1,731,566	(406,307)	212,675
Community services	1,047,421	975,860	807,256	777,331	(240,165)	(198,529)
Interest on long-term debt	356,292	369,215	-	-	(356,292)	(369,215)
Totals	\$ 32,818,554	\$ 27,494,677	\$ 6,708,084	\$ 6,274,464	\$ (26,110,470)	\$ (21,220,213)



Total resources available during the year to finance governmental operations were \$113,633,327 consisting of a net position on July 1, 2024, of \$72,462,229, program revenues of \$6,708,084, and general revenues of \$34,463,014. Total governmental activities during the year were \$32,818,554, and as a result, net position increased by \$8,352,544 to \$80,814,773.

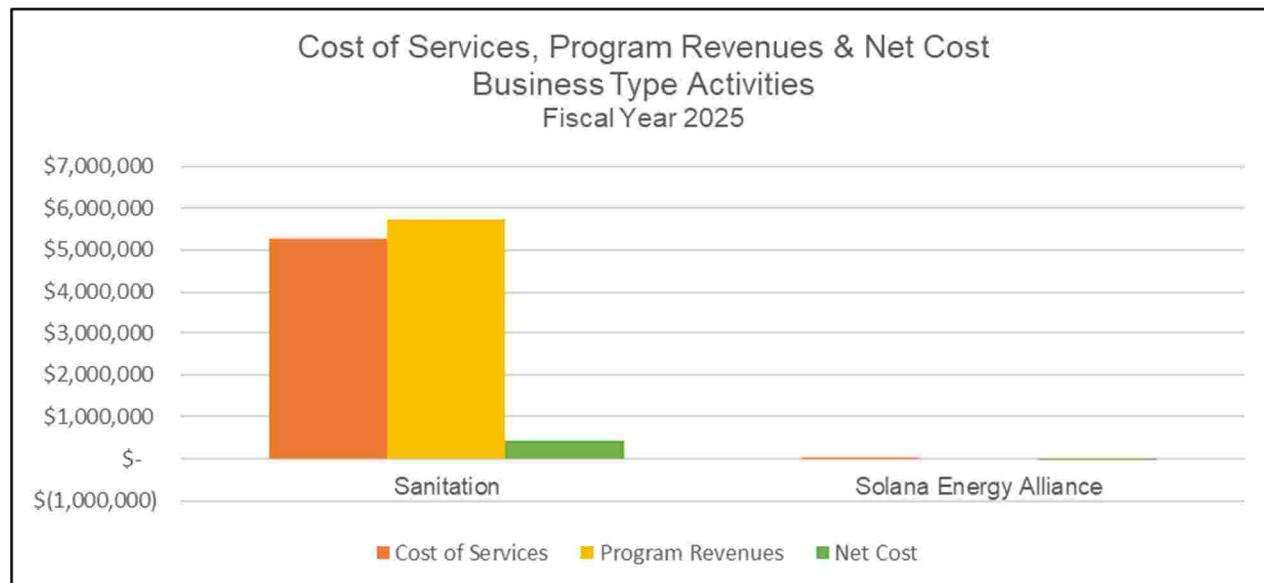
Business Type Activities

Net position of the Proprietary Fund (Business Type activities) on June 30, 2025, as reflected in Table 1, was \$51,018,357. As shown in Table 3, amounts paid by users of the Sanitation system and other operating revenue were \$5,726,131 while the cost of providing Sanitation Services in FY 2025 was \$5,287,758 resulting in a change in net position of \$438,373.

The total cost of providing Solana Energy Alliance services was \$579 while program revenues totaled \$0 resulting in a change in net position of (\$579). Please note that Solana Energy Alliance was closed out in FY 2025 and this will be the last time it is shown in the financial statements.

Table 3
Net Cost of Business Type Activities

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2025	2024	2025	2024	2025	2024
Sanitation	\$ 5,287,758	\$ 7,886,664	\$ 5,726,131	\$ 5,737,058	\$ 438,373	\$(2,149,606)
Solana Energy Alliance	579	1,840	-	-	(579)	(1,840)
Total Business Activities	\$ 5,288,337	\$ 7,888,504	\$ 5,726,131	\$ 5,847,517	\$ 437,794	\$(2,151,446)



Governmental Funds

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

Table 4 City of Solana Beach Governmental Funds Changes in Fund Balances									
	General Fund		Capital Projects Fund City CIP		Other Governmental Funds		Total		
	2025	2024	2025	2024	2025	2024	2025	2024	
Revenues:									
Taxes, Licenses, Fees and Intergovernmental Charges for Services	\$ 28,179,367	\$ 27,622,696	\$ -	\$ -	\$ 4,275,728	\$ 4,342,179	\$ 32,455,095	\$ 31,964,875	
1,180,352	852,040	1,178,291	7,662	640,396	671,616	2,999,039	1,531,318		
Other	7,253,928	7,266,741	507,007	202,352	623,397	610,124	8,384,332	8,079,217	
Total Revenues	36,613,647	35,741,477	1,685,298	210,014	5,539,521	5,623,919	43,838,466	41,575,410	
Expenditures:									
Current	27,110,487	25,308,430	14,777	20,196	3,525,176	2,943,979	30,650,440	28,272,605	
Capital Outlay	889,842	1,178,321	838,418	1,553,935	1,062,084	1,480,148	2,790,344	4,212,404	
Debt	23,785	35,196	-	-	332,507	395,479	356,292	430,675	
Total Expenditures	28,024,114	26,521,947	853,195	1,574,131	4,919,767	4,819,606	33,797,076	32,915,684	
Net Transfers	(2,694,116)	(4,050,000)	2,491,188	4,050,000	(86,126)	-	(289,054)	-	
Net Change in Fund Balances	\$ 5,895,417	\$ 5,169,530	\$ 3,323,291	\$ 2,685,883	\$ 533,628	\$ 804,313	\$ 9,752,336	\$ 8,659,726	

The General Fund, Fund Balance increased by \$5,895,417 or 20.8% to \$34,245,201 from July 1, 2024, to June 30, 2025. This was mainly due to a 95.8% increase (\$1.5M) in Charges for Services Revenues related to impact fee revenues and a 33.8% decrease (\$1.4M) in Capital Outlay Expenditures.

The Capital Projects Fund for the City's Capital Improvement Program, Fund Balance increased by \$3,323,291 from July 1, 2024 to June 30, 2025. This was mainly due to transfers requested by City Council for use of projected FY 2025 surplus from General Fund for FY 2026 capital projects.

General Fund Budgetary Highlights

Revenues:

Actual revenues exceed the final year-end budget by \$2,306,299 or 6.7%. The largest variance was Use of Money & Property with a \$1.26M positive variance due to the unrealized gain on investments and interest income for the PARS Trust.

Expenditures:

Actual expenditures incurred were lower than the final budget by \$2,805,398 or 9.1%. The largest variance was in Capital Outlay which came in \$1.16M under budget. This was mainly due to ongoing projects carrying over into the next fiscal year. General Government department expenditures were below the final budget by \$775K. This was mainly the result of professional service savings in several departments, as well as some salary savings due to vacancies.

Ending Fund Balance: Ending Fund Balance for the year increased by 20.8% from FY 2024, for a total ending balance of \$34,245,201. Included in the fund balance are non-spendable, restricted, committed, and assigned funds which total \$21,148,516. The unassigned portion is the part of the fund balance that is available for use without constraints established by legal requirements and totals \$13,096,685.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

As of June 30, 2025, net capital assets of the governmental activities totaled \$43,084,610 and the net capital assets of the business-type activities totaled \$16,224,335. Depreciation of capital assets is recognized in government-wide financial statements. (See Table 5 below and Note 4 to the financial statements.)

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

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

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 5,337,440	\$ 5,337,440	\$ 111,706	\$ 111,706	\$ 5,449,146	\$ 5,449,146
Buildings	10,380,895	9,274,596	5,758,129	5,883,585	16,139,024	15,158,181
Equipment & Vehicles	1,014,081	973,964	198,388	214,920	1,212,469	1,188,884
Infrastructure	22,730,435	24,182,159	10,156,112	10,529,844	32,886,547	34,712,003
Work in Progress	3,621,759	3,370,260	-	-	3,621,759	3,370,260
	\$ 43,084,610	\$ 43,138,419	\$ 16,224,335	\$ 16,740,055	\$ 59,308,945	\$ 59,878,474

Debt

At year-end, the City had \$7,778,296 in governmental type debt and \$14,605,977 in proprietary debt (both net of any premiums or discounts) totaling \$22,384,273. In addition to Bonds and Leases, debt as displayed here in the MD&A includes Claims, Judgements and Compensated Absences. These are liabilities of the city and amount to \$1,743 per capita as of June 30, 2025, which is an increase of \$12 from \$1,731 on June 30, 2024.

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

Note: the beginning balances for Compensated Absences were restated due to GASB 101, more information can be found in Note 16.

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

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Loan Payable	\$ 167,184	\$ 230,155	\$ -	\$ -	\$ 167,184	\$ 230,155
2017 - SEJPA Loan Payable	-	-	9,647,500	9,902,500	9,647,500	9,902,500
2017 Wastewater Refunding Bond	-	-	4,565,000	4,895,000	4,565,000	4,895,000
TransNet Bond	5,500,000	5,500,000	-	-	5,500,000	5,500,000
Bond premiums	-	-	281,101	306,656	281,101	306,656
Claims and judgements	872,000	780,015	-	-	872,000	780,015
Compensated absences	1,239,112	812,752	112,376	71,062	1,351,488	883,814
	<u>\$ 7,778,296</u>	<u>\$ 7,322,922</u>	<u>\$ 14,605,977</u>	<u>\$ 15,175,218</u>	<u>\$ 22,384,273</u>	<u>\$ 22,498,140</u>

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In June 2025, the City Council adopted a two-year budget for fiscal years ending June 30, 2026, and June 30, 2027.

In considering the City Budget, 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.

Overall, General Fund & Measure revenues are projected to decrease for FY 2026 by \$355k million or 1.1%, as compared to the FY 2025 actual revenues. The primary decrease is related to conservatively budgeting for interest income and the FY25 actuals being higher than budgeted for Property Tax and unrealized gains on investments.

General Fund & Measure S expenditures are projected to decrease for FY 2026 by \$1.9 million or 6.5% as compared to FY 2025 actual expenditures. This is due to one-time FY 2025 expenditures approved by City Council to move projected surplus to CIP fund, PARS & OPEB Trust, Asset Replacement, and Facilities Replacement.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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FINANCIAL SECTION

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Primary Government			
			Total	
	Governmental Activities	Business-Type Activities	2025	2024
ASSETS				
Cash and investments (Note 3)	\$ 53,463,638	\$ 12,943,357	\$ 66,406,995	\$ 60,173,477
Restricted cash and investments (Note 3)	8,473,683	-	8,473,683	6,764,356
Investment in joint venture (Note 13)	-	37,827,254	37,827,254	36,743,833
Receivables:				
Accounts, net	1,099,047	125,775	1,224,822	1,123,030
Interest	156,679	81,595	238,274	189,806
Intergovernmental	1,999,644	566,411	2,566,055	2,705,155
Internal balances	(433,644)	433,644	-	-
Inventories	63,200	-	63,200	44,707
Prepaid costs	1,808,044	-	1,808,044	41,024
Capital assets not being depreciated (Note 4)	8,959,199	111,706	9,070,905	8,819,406
Capital assets, net of accumulated depreciation (Note 4)	34,125,411	16,112,629	50,238,040	51,059,068
Total Assets	109,714,901	68,202,371	177,917,272	167,663,862
DEFERRED OUTFLOWS OF RESOURCES				
Pension related (Note 5)	5,659,837	728,144	6,387,981	8,429,098
OPEB related (Note 6)	3,399	1,862	5,261	6,905
Total Deferred Outflows of Resources	5,663,236	730,006	6,393,242	8,436,003
LIABILITIES				
Accounts payable	2,793,641	92,195	2,885,836	2,341,601
Accrued liabilities	548,972	32,119	581,091	442,083
Accrued interest payable	-	188,548	188,548	196,098
Deposits payable	2,906,815	-	2,906,815	3,944,073
Unearned revenue	703,395	-	703,395	647,696
Noncurrent Liabilities:				
Due within one year: bonds, loans, claims, compensated absences (Note 9)	948,186	658,367	1,606,553	1,078,912
Due in more than one year:				
Net pension liability (Note 5)	18,421,345	2,369,927	20,791,272	20,990,681
Net OPEB liability (Note 6)	801,379	439,146	1,240,525	1,704,004
Bonds, loans, claims, compensated absences (Note 9)	6,830,110	13,947,611	20,777,721	21,225,418
Total Liabilities	33,953,843	17,727,913	51,681,756	52,570,566
DEFERRED INFLOWS OF RESOURCES				
Pension related (Note 5)	352,710	45,377	398,087	795,950
OPEB related (Note 6)	256,811	140,730	397,541	496,673
Total Deferred Inflows of Resources	609,521	186,107	795,628	1,292,623
NET POSITION				
Net investment in capital assets (Note 11)	37,417,426	11,378,234	48,795,660	48,946,663
Restricted:				
Redevelopment activities	2,817,762	-	2,817,762	2,606,367
Public safety	1,261,380	-	1,261,380	1,208,303
Public works	4,714,875	-	4,714,875	4,973,618
Capital projects	14,964,016	-	14,964,016	11,439,272
Debt service	24,916	-	24,916	25,886
Pensions	8,473,683	-	8,473,683	6,764,356
Unrestricted	11,140,715	39,640,123	50,780,838	46,272,211
Total Net Position	\$ 80,814,773	\$ 51,018,357	\$ 131,833,130	\$ 122,236,676

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 8,019,100	\$ 1,130,430	\$ -	\$ -
Public safety	14,418,616	600,546	413,214	-
Community development	2,070,234	1,636,506	16,296	11,125
Community services	1,047,421	612,593	194,663	-
Public works	6,906,891	608,376	1,484,335	-
Interest	356,292	-	-	-
Total Governmental Activities	<u>32,818,554</u>	<u>4,588,451</u>	<u>2,108,508</u>	<u>11,125</u>
Business-Type Activities:				
Sanitation Fund	5,287,758	5,726,131	-	-
Solana Energy Alliance Fund	579	-	-	-
Total Business-Type Activities	<u>5,288,337</u>	<u>5,726,131</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 38,106,891</u>	<u>\$ 10,314,582</u>	<u>\$ 2,108,508</u>	<u>\$ 11,125</u>

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Sales taxes
- Transient occupancy taxes
- Franchise taxes
- Motor Vehicle in Lieu - unrestricted
- Use of money and property
- Miscellaneous revenues
- Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning, as previously reported

Implementation of GASB 101 (Note 16)

Net Position - Beginning, as restated

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
		Total		
Governmental Activities	Business-Type Activities	2025	2024	
\$ (6,888,670)	\$ (6,888,670)	\$ (4,683,193)		
(13,404,856)	(13,404,856)	(12,272,777)		
(406,307)	(406,307)	212,675		
(240,165)	(240,165)	(198,529)		
(4,814,180)	(4,814,180)	(3,909,174)		
(356,292)	(356,292)	(369,215)		
(26,110,470)	(26,110,470)	(21,220,213)		
	438,373	438,373	(2,149,606)	
	(579)	(579)	(1,840)	
	437,794	437,794	(2,151,446)	
	(26,110,470)	437,794	(25,672,676)	(23,371,659)
12,982,043	-	12,982,043	12,352,534	
9,347,509	-	9,347,509	9,470,357	
2,896,492	-	2,896,492	2,883,709	
814,434	-	814,434	857,126	
2,320,937	-	2,320,937	2,194,459	
4,129,929	601,863	4,731,792	2,996,318	
2,260,724	109,012	2,369,736	1,879,295	
(289,054)	289,054	-	-	
34,463,014	999,929	35,462,943	32,633,798	
8,352,544	1,437,723	9,790,267	9,262,139	
72,648,765	49,587,911	122,236,676	112,974,537	
(186,536)	(7,277)	(193,813)	-	
72,462,229	49,580,634	122,042,863	112,974,537	
\$ 80,814,773	\$ 51,018,357	\$ 131,833,130	\$ 122,236,676	

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Capital Projects Fund		Other Governmental Funds		Totals	
	General	City CIP			2025	2024
ASSETS						
Cash and investments	\$ 27,009,441	\$ 12,964,922	\$ 13,489,275	\$ 53,463,638	\$ 47,413,846	
Restricted cash and investments	8,473,683	-	-	8,473,683	6,764,356	
Receivables:						
Accounts	920,897	117,677	60,473	1,099,047	969,861	
Accrued interest	-	39,080	117,599	156,679	149,564	
Intergovernmental	1,883,134	-	116,510	1,999,644	2,117,820	
Due from other funds (Note 12)	100,660	-	-	100,660	399,366	
Inventories	-	-	63,200	63,200	44,707	
Prepaid costs	1,808,044	-	-	1,808,044	41,024	
Total Assets	<u>\$ 40,195,859</u>	<u>\$ 13,121,679</u>	<u>\$ 13,847,057</u>	<u>\$ 67,164,595</u>	<u>\$ 57,900,544</u>	
LIABILITIES						
Accounts payable	\$ 2,127,317	\$ 421,774	\$ 244,550	\$ 2,793,641	\$ 2,063,020	
Accrued liabilities	475,191	-	73,781	548,972	414,298	
Deposits payable	2,906,360	-	455	2,906,815	3,944,073	
Due to other funds (Note 12)	-	-	100,660	100,660	50,767	
Advances from other funds (Note 12)	433,644	-	-	433,644	855,558	
Unearned revenues	8,146	-	695,249	703,395	647,696	
Total Liabilities	<u>5,950,658</u>	<u>421,774</u>	<u>1,114,695</u>	<u>7,487,127</u>	<u>7,975,412</u>	
FUND BALANCES (Note 11)						
Nonspendable	1,808,044	-	63,200	1,871,244	85,731	
Restricted	8,473,683	12,699,905	12,855,414	34,029,002	28,406,318	
Committed	1,145,577	-	-	1,145,577	1,292,880	
Assigned	9,721,212	-	-	9,721,212	6,786,980	
Unassigned (Deficit)	13,096,685	-	(186,252)	12,910,433	13,353,223	
Total Fund Balances	<u>34,245,201</u>	<u>12,699,905</u>	<u>12,732,362</u>	<u>59,677,468</u>	<u>49,925,132</u>	
Total Liabilities and Fund Balances	<u>\$ 40,195,859</u>	<u>\$ 13,121,679</u>	<u>\$ 13,847,057</u>	<u>\$ 67,164,595</u>	<u>\$ 57,900,544</u>	

CITY OF SOLANA BEACH, CALIFORNIA

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

Total Fund Balances - Governmental Funds \$ 59,677,468

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

Capital assets of \$123,350,755, net of accumulated depreciation of \$80,266,145, used in governmental activities are not financial resources and, therefore, are not reported in the funds. 43,084,610

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

Deferred outflows - pension related	5,659,837
Deferred outflows - OPEB related	3,399
Deferred inflows - pension related	(352,710)
Deferred inflows - OPEB related	(256,811)
 Total Deferred Outflows and Inflows Related to Postemployment Benefits	 5,053,715

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

Bonds payable	(5,500,000)
Compensated absences	(1,239,112)
Claims	(872,000)
Loans payable	(167,184)
Net OPEB liability	(801,379)
Net pension liability	(18,421,345)
 Total Long-term Liabilities	 <u>(27,001,020)</u>

Net Position of Governmental Activities \$ 80,814,773

CITY OF SOLANA BEACH, CALIFORNIA

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Capital Projects Fund		Other Governmental Funds	Total Governmental Funds	
	General	City CIP		2025	2024
REVENUES					
Taxes and assessments	\$ 27,111,761	\$ -	\$ 3,033,137	\$ 30,144,898	\$ 29,507,231
Licenses, permits and fees	829,423	-	32,607	862,030	815,647
Intergovernmental	238,183	-	1,209,984	1,448,167	1,641,997
Charges for services	1,180,352	1,178,291	640,396	2,999,039	1,531,318
Use of money and property	2,002,476	505,257	590,041	3,097,774	2,435,455
Fines and forfeitures	517,129	-	-	517,129	528,722
Other revenues	4,734,323	1,750	33,356	4,769,429	5,115,040
Total Revenues	<u>36,613,647</u>	<u>1,685,298</u>	<u>5,539,521</u>	<u>43,838,466</u>	<u>41,575,410</u>
EXPENDITURES					
Current:					
General government	7,626,488	-	-	7,626,488	7,309,390
Public safety	13,233,829	-	1,063,818	14,297,647	13,610,080
Public works	3,581,259	14,777	2,157,073	5,753,109	4,698,902
Community development	1,691,206	-	115,500	1,806,706	1,662,678
Community services	977,705	-	125,814	1,103,519	991,555
Capital outlay	889,842	838,418	1,062,084	2,790,344	4,212,404
Debt service:					
Principal retirement	-	-	62,971	62,971	60,855
Interest and fiscal charges	23,785	-	332,507	356,292	369,820
Total Expenditures	<u>28,024,114</u>	<u>853,195</u>	<u>4,919,767</u>	<u>33,797,076</u>	<u>32,915,684</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>8,589,533</u>	<u>832,103</u>	<u>619,754</u>	<u>10,041,390</u>	<u>8,659,726</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 12)	1,004,938	2,491,188	70,375	3,566,501	4,120,375
Transfers out (Note 12)	(3,699,054)	-	(156,501)	(3,855,555)	(4,120,375)
Total Other Financing Sources (Uses)	<u>(2,694,116)</u>	<u>2,491,188</u>	<u>(86,126)</u>	<u>(289,054)</u>	<u>-</u>
Net Change in Fund Balances	5,895,417	3,323,291	533,628	9,752,336	8,659,726
Fund Balances - Beginning	28,349,784	9,376,614	12,198,734	49,925,132	41,265,406
Fund Balances - Ending	<u>\$ 34,245,201</u>	<u>\$ 12,699,905</u>	<u>\$ 12,732,362</u>	<u>\$ 59,677,468</u>	<u>\$ 49,925,132</u>

See Accompanying Notes to the Basic Financial Statements.

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, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ 9,752,336

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

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

Depreciation	(2,622,892)
Capital outlay	2,569,083
	(53,809)

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

Principal paid on long-term liabilities	62,971
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(426,360)
Claims and judgments	(91,984)
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,233,472)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	342,862
 Total Expenses	 (1,408,954)

Change in Net Position of Governmental Activities	\$ 8,352,544
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PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2025
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

			Total Proprietary Funds	
	Sanitation Fund	Solana Energy Alliance Fund	2025	2024
ASSETS				
Current Assets:				
Cash and investments (Note 3)	\$ 12,943,357	\$ -	\$ 12,943,357	\$ 12,759,631
Receivables:				
Accounts	125,775	-	125,775	153,169
Interest	81,595	-	81,595	40,242
Intergovernmental	566,411	-	566,411	587,335
Total Current Assets	13,717,138	-	13,717,138	13,540,377
Noncurrent Assets:				
Advances to other funds (Note 12)	433,644	-	433,644	855,558
Investment in joint venture (Note 13)	37,827,254	-	37,827,254	36,743,833
Capital assets not being depreciated (Note 4)	111,706	-	111,706	111,706
Capital assets, net of accumulated depreciation (Note 4)	16,112,629	-	16,112,629	16,628,349
Total Noncurrent Assets	54,485,233	-	54,485,233	54,339,446
Total Assets	68,202,371	-	68,202,371	67,879,823
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	728,144	-	728,144	931,907
OPEB related	1,862	-	1,862	2,506
Total Deferred Outflows of Resources	730,006	-	730,006	934,413
LIABILITIES				
Current Liabilities:				
Accounts payable	92,195	-	92,195	278,581
Accrued liabilities	32,119	-	32,119	27,785
Compensated absences (Note 9)	25,312	-	25,312	25,312
Accrued interest payable	188,548	-	188,548	196,098
Due to other funds (Note 12)	-	-	-	348,599
Loans and bonds payable - current (Note 9)	633,055	-	633,055	585,000
Total Current Liabilities	971,229	-	971,229	1,461,375
Noncurrent Liabilities:				
Compensated absences (Note 9)	87,064	-	87,064	38,474
Loans and bonds payable (Note 9)	13,860,547	-	13,860,547	14,519,156
Net pension liability	2,369,927	-	2,369,927	2,320,695
Net OPEB liability	439,146	-	439,146	618,383
Total Noncurrent Liabilities	16,756,684	-	16,756,684	17,496,708
Total Liabilities	17,727,913	-	17,727,913	18,958,083
DEFERRED INFLOWS OF RESOURCES				
Pension related	45,377	-	45,377	87,999
OPEB related	140,730	-	140,730	180,243
Total Deferred Inflows of Resources	186,107	-	186,107	268,242
NET POSITION				
Net investment in capital assets (Note 11)	11,378,234	-	11,378,234	11,538,399
Unrestricted	39,640,123	-	39,640,123	38,049,512
Total Net Position	\$ 51,018,357	\$ -	\$ 51,018,357	\$ 49,587,911

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2025	2024
OPERATING REVENUES				
Charges for services	\$ 5,726,131	\$ -	\$ 5,726,131	\$ 5,737,058
Miscellaneous revenue	108,507	505	109,012	134,739
Total Operating Revenues	<u>5,834,638</u>	<u>505</u>	<u>5,835,143</u>	<u>5,871,797</u>
OPERATING EXPENSES				
Cost of sales and services	3,365,090	-	3,365,090	3,581,378
Administration	1,260,793	579	1,261,372	2,309,990
Depreciation	559,528	-	559,528	560,246
Total Operating Expenses	<u>5,185,411</u>	<u>579</u>	<u>5,185,990</u>	<u>6,451,614</u>
Operating Income (Loss)	<u>649,227</u>	<u>(74)</u>	<u>649,153</u>	<u>(579,817)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	601,863	-	601,863	560,865
Interest expense	(555,189)	-	(555,189)	(577,500)
Share in joint venture net gain/(loss)	452,842	-	452,842	(859,390)
Total Nonoperating Revenues (Expenses)	<u>499,516</u>	<u>-</u>	<u>499,516</u>	<u>(876,025)</u>
Transfers In	<u>-</u>	<u>289,054</u>	<u>289,054</u>	<u>-</u>
Change in Net Position	1,148,743	288,980	1,437,723	(1,455,842)
Net Position - Beginning, as previously reported	<u>49,876,891</u>	<u>(288,980)</u>	<u>49,587,911</u>	<u>51,043,753</u>
Implementation of GASB 101 (Note 16)	<u>(7,277)</u>	<u>-</u>	<u>(7,277)</u>	<u>-</u>
Net Position - Beginning, as restated	<u>49,869,614</u>	<u>(288,980)</u>	<u>49,580,634</u>	<u>51,043,753</u>
Net Position - Ending	<u>\$ 51,018,357</u>	<u>\$ -</u>	<u>\$ 51,018,357</u>	<u>\$ 49,587,911</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Sanitation Fund	Solana Energy Alliance Fund	Total Proprietary Funds	
			2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,822,542	\$ 60,919	\$ 5,883,461	\$ 6,057,704
Payments to suppliers and service providers	(3,545,785)	(1,357)	(3,547,142)	(3,407,634)
Payments to employees for salaries and benefits	(1,227,213)	(579)	(1,227,792)	(1,162,508)
Net Cash Provided by (Used for) Operating Activities	<u>1,049,544</u>	<u>58,983</u>	<u>1,108,527</u>	<u>1,487,562</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Repayment received from capital-related interfund borrowings	421,914	-	421,914	410,503
Advances made for capital-related interfund borrowings	-	(59,545)	(59,545)	(183,887)
Acquisition and construction of capital assets	(43,808)	-	(43,808)	(205,516)
Principal paid on capital debt	(585,000)	-	(585,000)	(565,000)
Interest paid on capital debt	(588,293)	-	(588,293)	(610,588)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(795,187)</u>	<u>(59,545)</u>	<u>(854,732)</u>	<u>(1,154,488)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	560,510	-	560,510	550,672
Payments to investment in joint venture	(630,579)	-	(630,579)	(548,657)
Net Cash Provided by (Used for) Investing Activities	<u>(70,069)</u>	<u>-</u>	<u>(70,069)</u>	<u>2,015</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>184,288</u>	<u>(562)</u>	<u>183,726</u>	<u>335,089</u>
Cash and Cash Equivalents - Beginning	<u>12,759,069</u>	<u>562</u>	<u>12,759,631</u>	<u>12,424,542</u>
Cash and Cash Equivalents - Ending	<u>\$ 12,943,357</u>	<u>\$ -</u>	<u>\$ 12,943,357</u>	<u>\$ 12,759,631</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 649,227	\$ (74)	\$ 649,153	\$ (579,817)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation expense	559,528	-	559,528	560,246
(Increase) decrease in accounts receivable	(29,020)	56,414	27,394	(31,609)
(Increase) decrease in intergovernmental receivables	16,924	4,000	20,924	217,516
(Increase) decrease in pension related deferred outflows of resources	203,763	-	203,763	(292,615)
(Increase) decrease in OPEB related deferred outflows of resources	644	-	644	4,510
Increase (decrease) in accounts payable	(186,386)	-	(186,386)	210,925
Increase (decrease) in accrued liabilities	5,691	(1,357)	4,334	(37,181)
Increase (decrease) in compensated absences	41,313	-	41,313	(7,894)
Increase (decrease) in net pension liability	49,232	-	49,232	868,920
Increase (decrease) in net OPEB liability	(179,237)	-	(179,237)	451,004
Increase (decrease) in pension related deferred inflows of resources	(42,622)	-	(42,622)	(22,121)
Increase (decrease) in OPEB related deferred inflows of resources	(39,513)	-	(39,513)	145,678
Total Adjustments	<u>400,317</u>	<u>59,057</u>	<u>459,374</u>	<u>2,067,379</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,049,544</u>	<u>\$ 58,983</u>	<u>\$ 1,108,527</u>	<u>\$ 1,487,562</u>
Schedule of Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bonds premium/discount	\$ 25,555	\$ -	\$ 25,555	\$ 25,555

See Accompanying Notes to the Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Pension (and Other Employee Benefit) Trust Fund	Private-Purpose Trust Fund	Custodial Funds
	OPEB Trust Fund	Successor Agency of the Former RDA	
ASSETS			
Cash and cash equivalents (Note 3)	\$ -	\$ 47,877	\$ 330,031
Investments (Note 3):			
Exchange traded funds	2,464,963	-	432
Local Agency Investment Fund	-	-	60,535
Asset-backed securities	-	-	15,212
Federal agency securities	-	-	45,456
Medium term corporate notes	-	-	40,125
Supranational securities	-	-	3,894
US Treasury securities	-	-	95,197
Receivables:			
Due from other governments	-	-	5,901
Total Assets	<u>2,464,963</u>	<u>47,877</u>	<u>596,782</u>
LIABILITIES			
Accounts payable	-	-	2,033
Accrued liabilities	-	1,097	-
Accrued interest	-	4,940	-
Long-term liabilities:			
Due in one year (Note 15)	-	142,700	-
Due in more than one year (Note 15)	-	1,621,500	-
Total Liabilities	<u>-</u>	<u>1,770,237</u>	<u>2,033</u>
NET POSITION (DEFICIT)			
Restricted for:			
Postemployment benefits other than pensions	2,464,963	-	-
Individuals, organizations, and other governments	-	(1,722,360)	594,749
Total Net Position (Deficit)	<u>\$ 2,464,963</u>	<u>\$ (1,722,360)</u>	<u>\$ 594,749</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF SOLANA BEACH, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Pension (and Other Employee Benefit) Trust Fund	Private-Purpose Trust Fund	
	OPEB Trust Fund	Successor Agency of the Former RDA	Custodial Funds
ADDITIONS			
Employers contributions	\$ 338,673	\$ -	\$ -
Investment earnings	175,630	461	533
Property taxes	-	224,799	-
Special assessment collections	-	-	230,466
Total Additions	<u>514,303</u>	<u>225,260</u>	<u>230,999</u>
DEDUCTIONS			
Administrative expenses	-	55,858	-
Contractual services	10,714	-	6,244
Principal expense	-	-	100,000
Interest expense	-	62,391	105,991
Total Deductions	<u>10,714</u>	<u>118,249</u>	<u>212,235</u>
Net Increase in Fiduciary Net Position	503,589	107,011	18,764
Net Position (Deficit) - Beginning	<u>1,961,374</u>	<u>(1,829,371)</u>	<u>575,985</u>
Net Position (Deficit) - Ending	<u>\$ 2,464,963</u>	<u>\$ (1,722,360)</u>	<u>\$ 594,749</u>

See Accompanying Notes to the Basic Financial Statements.

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**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

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

b. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Governmental Fund Financial Statements

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major governmental funds:

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

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

Proprietary Fund Financial Statements

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City reports the following major proprietary funds:

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

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

Fiduciary Fund Financial Statements

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

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

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

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

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

c. Cash, Cash Equivalents, and Investments

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

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

d. Restricted Cash and Investments

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

e. Fair Value Measurement

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

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

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

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

f. Capital Assets

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

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

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

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

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

g. Deferred Outflows/Inflows of Resources

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

h. Long-Term Liabilities

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

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

i. Compensated Absences

During the year ended June 30, 2025, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which seeks to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. See Note 16 for additional information.

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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

j. Pensions

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

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

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

k. Other Post-Employment Benefits (OPEB)

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

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

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

I. Net Position

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

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

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

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

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

m. Net Position Flow Assumption

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

n. Fund Balances

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

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

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

o. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total 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.

o. Fund Balance Flow Assumptions (Continued)

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

p. Property Taxes

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

q. Use of Estimates

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

r. Comparative Data

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

Note 2: Stewardship, Compliance, and Accountability

a. Excess of Expenditures over Appropriations

On June 30, 2025, no funds reported expenditures exceeding appropriations.

b. Deficit Fund Equity

At June 30, 2025, the following nonmajor funds reported a deficit fund balance:

Nonmajor Fund Name	Classification	Deficit
CDBG	Special Revenue Fund	\$ 17,478
Camp Programs Fund	Special Revenue Fund	105,952

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

c. Budgetary Compliance

The Assessment Districts CIP capital projects fund and Boating and Waterways fund did not adopt a budget for the fiscal year ended June 30, 2025.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 3: Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2025:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		Business-Type Activities		
Cash and investments	\$ 53,463,638	\$ 12,943,357	\$ 377,908	\$ 66,784,903	
Restricted cash and investments	8,473,683	-	2,725,813	11,199,496	
Total	\$ 61,937,321	\$ 12,943,357	\$ 3,103,721	\$ 77,984,399	

Cash and investments consisted of the following at June 30, 2025:

Cash and cash equivalents:	
Cash on hand	\$ 400
Demand deposits	<u>11,454,943</u>
Total cash and cash equivalents	<u>11,455,343</u>
Investments:	
Local Agency Investment Fund	21,774,201
United States Treasury	11,983,194
Federal Home Loan Bank	3,692,148
Federal Farm Credit Bank	3,708,911
Federal National Mortgage Association	496,935
Medium Term Notes	8,809,046
Money Market Funds	470,997
Supranationals	1,317,225
Asset Backed Securities	<u>3,347,838</u>
Total investments	<u>55,600,495</u>
Restricted investments (Section 115 Trust):	
Equity Mutual Fund	10,713,048
Fixed Income Mutual Fund	<u>215,513</u>
Total restricted investments	<u>10,928,561</u>
Total cash and investments	<u>\$ 77,984,399</u>

a. Cash Deposits

The carrying amounts of the City's cash deposits were \$12,798,367 at June 30, 2025. Bank balances were \$13,588,195 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 \$789,828 difference represents outstanding checks and other reconciling items.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 3: Cash and Investments (Continued)

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

The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

b. Investments

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

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. The City has no investments held by bond trustee.

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

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

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025

Note 3: Cash and Investments (Continued)**b. Investments (Continued)****Investments Authorized by Debt Agreements**

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

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

Section 115 Trust

The City has set up an IRS Section 115 Trust for the purpose of setting funding aside for the unfunded pension liability. The Trust is currently invested in money market, equity, bond, and exchange-traded funds, and at June 30, 2025, the fair value of the assets held in trust is \$9,585,137. The assets of the trust are reported as restricted cash and investments in the City's General Fund, with a corresponding restriction in the General Fund's fund balance.

b. 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.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 3: Cash and Investments (Continued)

c. Risk Disclosures

Interest Rate Risk

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

Investments	Fair Value	Remaining Investment Maturities		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 21,774,201	\$ 21,774,201	\$ -	\$ -
U.S. Treasury	11,983,194	4,720,718	4,643,405	2,619,071
U.S. Government Agency Securities:				
Federal Home Loan Bank	3,692,148	-	3,182,318	509,830
Federal Farm Credit Bank	3,708,911	-	2,588,343	1,120,568
Federal National Mortgage Association	496,935	496,935	-	-
Medium-term Notes	8,809,046	1,177,558	5,823,221	1,808,267
Money Market Mutual Funds	470,997	470,997	-	-
Supranationals	1,317,225	-	317,741	999,484
Asset Backed Securities	3,347,838	-	860,182	2,487,656
Investments Held in Section 115 Trust:				
Equity Mutual Fund	10,713,048	10,713,048	-	-
Fixed Income Mutual Fund	215,513	215,513	-	-
	\$ 66,529,056	\$ 39,568,970	\$ 17,415,210	\$ 9,544,876

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 3: Cash and Investments (Continued)

c. Risk Disclosures (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 in the City's investment policy and investing only in instruments that are most creditworthy. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of June 30, 2025, for each investment type.

Investments	Total as of June 30, 2025	Minimum Legal Rating	AAA	AA+/Aa1	A	Not Rated
Local Agency Investment Fund	\$ 21,774,201	N/A	\$ -	\$ -	\$ -	\$ 21,774,201
U.S. Treasury *	11,983,194	N/A	-	-	-	11,983,194
U.S. Government Agency Securities:						
Federal Home Loan Bank	3,692,148	N/A	3,692,148	-	-	-
Federal Farm Credit Bank	3,708,911	N/A	3,708,911	-	-	-
Federal National Mortgage Association	496,935	N/A	496,935	-	-	-
Medium-term Notes	8,809,046	A	-	1,415,863	7,393,183	-
Money Market Mutual Funds	470,997	AAA	470,997	-	-	-
Supranationals	1,317,225	AA	1,317,225	-	-	-
Asset Backed Securities	3,347,838	AA	3,347,838	-	-	-
Investments Held in Section 115 Trust:						
Equity Mutual Fund	10,713,048	N/A	-	-	-	10,713,048
Fixed Income Mutual Fund	215,513	N/A	-	-	-	215,513
	<u>\$ 66,529,056</u>		<u>\$ 13,034,054</u>	<u>\$ 1,415,863</u>	<u>\$ 7,393,183</u>	<u>\$ 44,685,956</u>

* Exempt from rating disclosure

Custodial Credit Risk

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

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City investments in the US Government Agency issuers which held more than 5% of the investment portfolio are as follows:

Issuer	Investment Type	Fair Value
Federal Home Loan Bank	U.S. Government Agency Securities	\$ 3,692,148
Federal Farm Credit Bank	U.S. Government Agency Securities	3,708,911

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 3: Cash and Investments (Continued)

d. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025:

	Level 1	Level 2	Uncategorized	Total
Local Agency Investment Fund	\$ -	\$ -	\$ 21,774,201	\$ 21,774,201
U.S. Treasury	11,983,194	-	-	11,983,194
U.S. Government Agency Securities	-	7,897,994	-	7,897,994
Medium-term Notes	-	8,809,046	-	8,809,046
Supranationals	-	1,317,225	-	1,317,225
Asset Backed Securities	-	3,347,838	-	3,347,838
Equity Mutual Fund	10,713,048	-	-	10,713,048
Fixed Income Mutual Fund	215,513	-	-	215,513
Money Market Mutual Funds	-	-	470,997	470,997
 Total	 \$ 22,911,755	 \$ 21,372,103	 \$ 22,245,198	 \$ 66,529,056

Note 4: Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
<u>Governmental Activities</u>				
<u>Non-Depreciable Assets:</u>				
Land	\$ 5,337,440	\$ -	\$ -	\$ 5,337,440
Construction in progress	3,370,260	2,129,807	(1,878,308)	3,621,759
Total non-depreciable assets	8,707,700	2,129,807	(1,878,308)	8,959,199
<u>Depreciable Assets:</u>				
Buildings	6,014,902	-	-	6,014,902
Improvements	14,392,922	1,692,827	-	16,085,749
Equipment	3,302,228	265,153	(455,082)	3,112,299
Vehicles	2,537,863	177,982	(144,307)	2,571,538
Infrastructure	86,425,446	181,622	-	86,607,068
Total depreciable assets	112,673,361	2,317,584	(599,389)	114,391,556
<u>Less Accumulated Depreciation:</u>				
Buildings	(3,601,832)	(120,724)	-	(3,722,556)
Improvements	(7,531,396)	(465,804)	-	(7,997,200)
Equipment	(2,765,065)	(304,406)	455,082	(2,614,389)
Vehicles	(2,101,062)	(98,612)	144,307	(2,055,367)
Infrastructure	(62,243,287)	(1,633,346)	-	(63,876,633)
Total accumulated depreciation	(78,242,642)	(2,622,892)	599,389	(80,266,145)
Total depreciable assets, net	34,430,719	(305,308)	-	34,125,411
Total capital assets, net	\$ 43,138,419	\$ 1,824,499	\$ (1,878,308)	\$ 43,084,610

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 4: Capital Assets (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2025, is as follows:

General Government	\$ 211,880
Public Safety	262,172
Public Works	1,715,264
Community Development	5,774
Community Services	<u>427,802</u>
 Total Depreciation Expense	<u>\$ 2,622,892</u>

The following is a summary of changes in capital assets for business-type activities for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Business-Type Activities				
<i>Non-Depreciable Assets:</i>				
Land	\$ 111,706	\$ -	\$ -	\$ 111,706
Total non-depreciable assets	<u>111,706</u>	<u>-</u>	<u>-</u>	<u>111,706</u>
<i>Depreciable Assets:</i>				
Buildings	6,766,498	-	-	6,766,498
Improvements	18,900,599	43,808	-	18,944,407
Equipment	<u>828,705</u>	<u>-</u>	<u>-</u>	<u>828,705</u>
Total depreciable assets	<u>26,495,802</u>	<u>43,808</u>	<u>-</u>	<u>26,539,610</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(882,913)	(125,456)	-	(1,008,369)
Improvements	(8,370,755)	(417,540)	-	(8,788,295)
Equipment	(613,785)	(16,532)	-	(630,317)
Total accumulated depreciation	<u>(9,867,453)</u>	<u>(559,528)</u>	<u>-</u>	<u>(10,426,981)</u>
Total depreciable assets, net	<u>16,628,349</u>	<u>(515,720)</u>	<u>-</u>	<u>16,112,629</u>
Total capital assets, net	<u>\$ 16,740,055</u>	<u>\$ (515,720)</u>	<u>\$ -</u>	<u>\$ 16,224,335</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2025, is \$559,528, recorded in the Sanitation Fund.

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025

Note 5: City Employees Retirement Plan - Pension Plans**a. General Information about the Pension Plans**

The following is a summary of net pension liabilities and deferred outflow/inflow of resources by plan at June 30, 2025:

	Miscellaneous		
	Plan	Safety Plan	Total
Net Pension Liabilities	\$ 7,817,417	\$ 12,973,855	\$ 20,791,272
Deferred Outflow of Resources	2,507,951	3,880,030	6,387,981
Deferred Inflows of Resources	137,356	260,732	398,088
Pension Expense (Income)	1,520,916	2,532,982	4,053,898

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.

The net pension liabilities will be liquidated from the General Fund and Sanitation Fund.

Benefits Provided

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

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

Below is a summary of the plans' provisions and benefits in effect at June 30, 2025, for which the City has contracted:

Major Benefit Options	Miscellaneous*	Miscellaneous Second Tier	Miscellaneous PEPRA	Safety Fire First Tier*	Safety Fire Second Tier	Safety Fire PEPRA	Safety Lifeguard First Tier*	Safety Lifeguard Second Tier*	PEPRA Other Safety
Hire Date	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013
Benefit Provision Benefit Formula	2.5% @ 55	2.0% @ 60	2. % @ 62	3.0% @ 50	2.0% @ 50	2.7% @ 57	3.0% @ 50	2.0% @ 50	2.7% @ 57
Social Security Full/Modified	No Full	No Full	No Full	No Full	No Full	No Full	No Full	No Full	No Full
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 63	50 - 63	52 - 67;	50	50 - 55	50 - 57	50 - 55	50 - 55	52 - 67
Percentage of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%	3.0%	2.0% to 2.7%	2.0% to 2.7%	1.423% to 2.0%	1.423% to 2.0%	2.0% to 2.7%
Required Employer Contribution Rates	14.13%	10.15	7.87%	27.32%	20.09%	13.76%	27.32%	20.09%	13.76%
Required Employee Contribution Rates	7.96%	6.93%	7.75%	8.99%	8.96%	13.75%	8.99%	8.96%	13.75%

* Closed to new member entrants.

Contribution Description

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

For the year ended June 30, 2025, the contributions recognized as a reduction to the net pension liability was \$2,307,514.

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

As of June 30, 2025, 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 Safety	\$ 7,817,417
	<u>12,973,855</u>
Total	\$ <u>20,791,272</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's 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, 2023 and 2024, respectively, was as follows:

	Miscellaneous	Safety	Combined
Proportion - June 30, 2024	0.15726%	0.17562%	0.16825%
Proportion - June 30, 2025	<u>0.16163%</u>	<u>0.17795%</u>	<u>0.17144%</u>
Change	<u>0.00437%</u>	<u>0.00233%</u>	<u>0.00319%</u>

For the year ended June 30, 2025, the City recognized pension expense as follows:

	Miscellaneous	Safety	Total Plans
	\$ 1,520,916	\$ 2,532,982	\$ 4,053,898

At June 30, 2025, 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
Miscellaneous Plan		
Pension contributions subsequent to measurement date	\$ 1,083,671	\$ -
Changes of assumptions	200,924	-
Difference between expected and actual experience	675,887	26,373
Net difference between projected and actual earnings on plan investments	450,039	-
Differences between actual contributions and the proportionate share of contributions	63,454	49,155
Change in employer's proportion	<u>33,976</u>	<u>61,828</u>
Total Miscellaneous Plan	<u>2,507,951</u>	<u>137,356</u>
Safety Plan		
Pension contributions subsequent to measurement date	1,526,383	-
Changes in assumptions	319,649	-
Difference between expected and actual experience	1,058,782	34,425
Net difference between projected and actual earnings on plan investments	627,097	-
Differences between actual contributions and the proportionate share of contributions	250,165	124,227
Change in employer's proportion	<u>97,954</u>	<u>102,079</u>
Total Safety Plan	<u>3,880,030</u>	<u>260,731</u>
Total All Plans	<u>\$ 6,387,981</u>	<u>\$ 398,087</u>

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 5: City Employees Retirement Plan - Pension Plans (Continued)**

The \$2,610,054 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources			Total
	Miscellaneous Plan	Safety Plan		
2026	\$ 399,670	\$ 796,465	\$ 1,196,135	
2027	1,022,626	1,503,512		2,526,138
2028	18,853	7,502		26,355
2029	(154,225)	(214,563)		(368,788)
	<u>\$ 1,286,924</u>	<u>\$ 2,092,916</u>		<u>\$ 3,379,840</u>

c. Actuarial Methods and AssumptionsActuarial Assumptions

For the measurement period ended June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023, total pension liabilities were based on the following actuarial methods and assumptions:

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

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

Discount Rate

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

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

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

Asset Class ¹	Assumed Asset	
	Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

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

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

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

The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

Plan Type	Discount Rate - 1%		Current Discount Rate		Discount Rate + 1%	
		5.90%		6.90%		7.90%
Miscellaneous	\$	11,940,498	\$	7,817,417	\$	4,423,514
Safety		18,927,826		12,973,855		8,104,343
Total	\$	30,868,324	\$	20,791,272	\$	12,527,857

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

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

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 6: Other Post-Employment Benefits

a. Plan Description

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

The net OPEB liability will be liquidated from the General Fund and Sanitation Fund.

The City provides the PEMHCA minimum benefit (\$158 per month for 2025) 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, 2025, the measurement date, the following numbers of participants were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	49
Inactive plan members entitled to but not yet receiving benefit payments	17
Active plan members	71
	137

c. Contributions

The contribution requirements of the Plan participants and the City are established by and may be amended by the City pursuant to agreements with its non-represented employees and the unions representing City Employees. The City pays cash and implied subsidy benefit payments and PEMHCA administrative fees directly from City assets. Contributions made to the trust are on an ad-hoc basis. On average over the past five years, 1.8 percent of payroll was contributed to the trust each year.

The City contributed \$577,889 during the 2025 fiscal year which consisted of \$175,539 of pay-as-you-go benefit payments, \$337,242 in contributions to the trust, \$713 in non-trust administration expenses, and \$64,395 in implied subsidy benefits. Retired plan members and their beneficiaries pay the annual premium cost not paid by the employer.

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 6: Other Post-Employment Benefits (Continued)****d. Net OPEB Liability of the City**

	Fiscal Year Ending	
	June 30, 2025	June 30, 2024
Total OPEB Liability (TOL)	\$ 3,464,524	\$ 3,413,755
Fiduciary Net Position (FNP)	<u>2,223,999</u>	<u>1,709,751</u>
Net OPEB Liability (NOL)	<u>\$ 1,240,525</u>	<u>\$ 1,704,004</u>
Funded Status (FNP/TOL)	64.2%	50.1%

The City's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the June 30, 2025 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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 6: Other Post-Employment Benefits (Continued)

f. Changes in the Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 3,413,755	\$ 1,709,751	\$ 1,704,004
Changes for the year:			
Service cost	103,833	-	103,833
Interest	186,870	-	186,870
Assumption changes	-	-	-
Actual vs. expected experience	-	-	-
Contributions - employer	-	577,889	(577,889)
Net investment income	-	182,858	(182,858)
Benefit payments*	(239,934)	(239,934)	-
Administrative expenses	-	(6,565)	6,565
Net changes	50,769	514,248	(463,479)
Balance at June 30, 2025	<u>\$ 3,464,524</u>	<u>\$ 2,223,999</u>	<u>\$ 1,240,525</u>

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

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

	1% Decrease (4.50%)	Current Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability	\$ 1,678,064	\$ 1,240,525	\$ 878,098

h. 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	\$ 937,266	\$ 1,240,525	\$ 1,676,453

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 6: Other Post-Employment Benefits (Continued)****i. OPEB Plan Fiduciary Net Position**

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

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$16,922. As of fiscal year ended June 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 173,830
Changes in assumptions	5,261	155,566
Net difference between projected and actual earnings on plan investments	-	68,145
Total	\$ 5,261	\$ 397,541

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

Fiscal Year Ended June 30,	Outflows/(Inflows) of Resources	
2026	\$	(90,982)
2027		(83,774)
2028		(78,629)
2029		(58,721)
2030		(42,197)
Thereafter		(37,977)
Total	\$	(392,280)

Note 7: Commitments and Contingencies**a. Litigation**

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

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025

Note 7: Commitments and Contingencies (Continued)**b. Construction Commitments**

The following material construction commitments existed at June 30, 2025:

Project Name	Remaining Contract Amount
FY23 Sewer & Storm Drain Rehab	\$ 177,360
FY24 Sewer & Storm Drain Rehab	619,044
Traffic Signal Improvement Project	28,549

c. Sales Tax – TransNet Debt Commitment

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

Note 8: Risk Management**a. General Liability Insurance**

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

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

b. Workers' Compensation

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 8: Risk Management (Continued)

The workers' compensation and general liability claims payable of \$872,000 reported at June 30, 2025, 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
2023 - 2024	\$ 838,000	\$ -	\$ (57,985)	\$ 780,015
2024 - 2025	780,015	91,985	-	872,000

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

Note 9: Long-Term Liabilities

a. Changes in Long-term Liabilities

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Bonds Payable					
Limited Tax Bonds, Series 2010A	\$ 5,500,000	\$ -	\$ -	\$ 5,500,000	\$ -
Total Bonds Payable	5,500,000	-	-	5,500,000	-
Loan Payable	230,155	-	62,971	167,184	65,163
Compensated Absences*	812,752	426,360	-	1,239,112	650,023
Claims (Note 8)	780,015	91,985	-	872,000	233,000
Total Governmental Activities	\$ 7,322,922	\$ 518,345	\$ 62,971	\$ 7,778,296	\$ 948,186
Business-Type Activities:					
Bonds Payable					
2017 Wastewater Revenue Refunding Bonds	\$ 4,895,000	\$ -	\$ 330,000	\$ 4,565,000	\$ 340,000
Premium	306,656	-	25,555	281,101	25,555
Total Bonds Payable	5,201,656	-	355,555	4,846,101	365,555
Direct Borrowings and Direct Placements					
San Elijo JPA Loan Payable - 2017	9,902,500	-	255,000	9,647,500	267,500
Total Direct Borrowings and Direct Placements	9,902,500	-	255,000	9,647,500	267,500
Compensated Absences*	71,062	41,314	-	112,376	25,312
Total Business-Type Activities	\$ 15,175,218	\$ 41,314	\$ 610,555	\$ 14,605,977	\$ 658,367

* Compensated Absences as of June 30, 2024 was restated as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The change in the compensated absences liability is presented as a net change under GASB 101.

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025

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

On October 28, 2010, the San Diego Association of Governments (SANDAG), acting as the San Diego County Regional Transportation Commission, issued \$338,960,000 Taxable Build America Bonds 2010 Series A (Limited Tax Bonds). SANDAG is responsible for the administration of programs under the TransNet Extension ordinance, Proposition A, which sets forth the permitted uses for revenues from a half cent transaction and use tax in San Diego County (TransNet Extension Program). In fiscal year ended June 2010, the City borrowed \$5,500,000 from the TransNet debt financing program for the Highway 101 Streetscaping/Traffic Calming Project and other projects eligible under the terms of the debt financing and applicable SANDAG policies and approved projects. 2017 Wastewater Revenue Refunding Bonds. The bond is wholly secured by sales tax revenues pledged for the payment of debt service. In the event of default, all sales tax revenues pledged for the payment of the debt must be transferred to the bond trustee; however, there is no acceleration of payment on outstanding debt service. The total amount of the bond outstanding at June 30, 2025, is \$5,500,000.

The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30,	Bonds Payable		
	Principal	Interest	
2026	\$ -	\$ 325,105	
2027	-	325,105	
2028	-	325,105	
2029	-	325,105	
2030	-	325,105	
2031 - 2035	-	1,625,525	
2036 - 2040	940,800	1,598,247	
2041 - 2045	2,686,956	1,041,849	
2046 - 2048	1,872,244	224,152	
Total	\$ 5,500,000	\$ 6,115,298	

Loan Payable**Energy Efficiency/Conservation Upgrades**

On May 9, 2012, the City entered into a loan financing agreement with Municipal Finance Corporation for various energy efficiency/conservation upgrades at City facilities. The loan was executed in the amount of \$818,696. Payments are due in thirty-one semi-annual payments of \$35,187 and include interest at the rate of 3.45%. The City also executed an acquisition fund agreement with Deutsche Bank National Trust Company for distribution of the funds. At June 30, 2025, the balance of the loan liability was \$167,184.

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 9: Long-Term Liabilities (Continued)****b. Governmental Activities (Continued)**

The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 65,163	\$ 5,211
2027	67,431	2,943
2028	34,590	597
Total	<u>\$ 167,184</u>	<u>\$ 8,751</u>

c. Business Type Activities**2017 Wastewater Revenue Refunding Bonds**

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

The Bonds are paid solely from, and secured by a pledge of, installment payments and moneys in the funds and account held under the indenture. The installment payments are special limited obligations of the City payable solely from and secured by a pledge of and first lien on residual net revenues of the Wastewater System. Residual net revenues consist of revenues derived from the Wastewater System and remaining after the payment of operating and maintenance expense and debt service on the JPA Loan Payable. The loan amount outstanding at June 30, 2025, is \$4,565,000.

The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2026	\$ 340,000	\$ 164,106
2027	350,000	153,906
2028	370,000	136,406
2029	380,000	121,606
2030	400,000	102,606
2031 - 2035	2,240,000	287,663
2036	485,000	15,157
Total	<u>\$ 4,565,000</u>	<u>\$ 981,450</u>

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025

Note 9: Long-Term Liabilities (Continued)**c. Business Type Activities (Continued)****San Elijo JPA Loan Payable - 2017**

On June 1, 2017, the San Elijo Joint Powers Authority issued the 2017 Revenue Bonds for the purpose of funding facilities and improvements as part of the Authority's capital improvement plan. Each local agency entered into a "Series 2017 Loan Agreement" on June 1, 2017 to assist in the financing of the Local Agencies' respective share of the Bonds. The City of Encinitas and the City of Solana Beach will each be paying 50 percent of total debt service on the bonds, respectively. In the event of default, the trustee may accelerate the payment of outstanding principal and interest. The loan is wholly secured by revenues pledged for the payment of the loan. The loan matures on March 1, 2047. The interest rates on the bonds range from 3.00% to 5.00% per year. The City of Solana Beach's portion of annual principal installments range from \$217,500 to \$642,500. The total amount of the bond outstanding at June 30, 2025, is \$9,647,500.

The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30,	Direct Borrowings	
	Principal	Interest
2026	\$ 267,500	\$ 401,538
2027	280,000	388,163
2028	295,000	374,163
2029	310,000	359,413
2030	325,000	343,913
2031 - 2035	1,867,500	1,474,815
2036 - 2040	2,290,000	1,052,058
2041 - 2045	2,752,500	591,100
2046 - 2047	1,260,000	76,100
 Total	 \$ 9,647,500	 \$ 5,061,263

Compensated Absences

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

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 10: Debt Covenant Compliance for JPA Loans**

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

Revenues:	
Operating revenues	\$ 5,726,131
Other operating	108,507
Non-operating	<u>601,863</u>
Gross revenues	<u>6,436,501</u>
Expenses	<u>5,287,758</u>
Net Income	1,148,743
Add Back:	
Interest expense	555,189
Depreciation	<u>559,528</u>
Subtotal	<u>1,114,717</u>
Net Revenues Available for Debt Service	<u>\$ 2,263,460</u>
2017 JPA Loan Debt Service:	
Principal repayment	\$ 255,000
Interest charges	<u>414,288</u>
Subtotal	<u>669,288</u>
2017 Wastewater Revenue Refunding Bonds Debt Service:	
Principal repayment	330,000
Interest charges	<u>174,006</u>
Subtotal	<u>504,006</u>
	\$ 1,173,294
Coverage Ratio	<u>1.93</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 11: Classification of Fund Balances

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

Classification	General	City CIP	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ -	\$ -	\$ 63,200	\$ 63,200
Prepaid Costs	1,808,044	-	-	1,808,044
Total Nonspendable	1,808,044	-	63,200	1,871,244
Restricted:				
Section 115 Pension Stabilization Trust	8,473,683	-	-	8,473,683
TransNet	-	-	353,063	353,063
Gas Tax	-	-	897,266	897,266
Municipal Improvement Districts	-	-	863,392	863,392
Lighting District	-	-	3,851,483	3,851,483
COPS	-	-	333,830	333,830
Public Safety	-	-	873,484	873,484
Fire Mitigation	-	-	54,066	54,066
Coastal Area Business/Visitor Assistance & Enhancement	-	-	1,508,394	1,508,394
Miscellaneous Grants	-	-	125,600	125,600
Housing	-	-	1,567,433	1,567,433
SB1 Streets & Roads	-	-	537,562	537,562
Capital Projects	-	12,699,905	92,555	12,792,460
Sand Replenishment	-	-	1,772,370	1,772,370
Debt Service	-	-	24,916	24,916
Total Restricted	8,473,683	12,699,905	12,855,414	34,029,002
Committed:				
Parks & Recreation	45,554	-	-	45,554
Public Facilities	860,433	-	-	860,433
Other Post-Employment Benefits	239,590	-	-	239,590
Total Committed	1,145,577	-	-	1,145,577
Assigned:				
Housing	1,600,286	-	-	1,600,286
Community TV	80,561	-	-	80,561
Street Sweeping	112,661	-	-	112,661
Park Fees	44,518	-	-	44,518
Asset Replacement	5,289,184	-	-	5,289,184
Self-Insurance	198,401	-	-	198,401
Workers' Compensation	724,955	-	-	724,955
Public Facilities	1,538,172	-	-	1,538,172
Lomas Santa Fe Median	68,500	-	-	68,500
ADA (DAE Fee)	21,548	-	-	21,548
Container Recycle	3,304	-	-	3,304
Sand - Fletcher Cove	11,767	-	-	11,767
Sand - Tide Park	3,555	-	-	3,555
Beach Related	23,800	-	-	23,800
Total Assigned	9,721,212	-	-	9,721,212
Unassigned	13,096,685	-	(186,252)	12,910,433
Total Fund Balance	\$ 34,245,201	\$ 12,699,905	\$ 12,732,362	\$ 59,677,468

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 11: Classification of Fund Balances (Continued)

a. Net investment in capital assets

The detail of net investment in capital assets for the year ended June 30, 2025 is as follows:

	Business-Type Activities	
	Governmental Activities	Sanitation Fund
Capital assets, net of accumulated depreciation	\$ 43,084,610	\$ 16,224,335
Less:		
Bonds, notes and finance purchase agreements	(5,667,184)	(4,565,000)
Unamortized premiums/(discounts)	-	(281,101)
Net investment in capital assets	<u>\$ 37,417,426</u>	<u>\$ 11,378,234</u>

Note 12: Interfund Transactions

a. Due From and To Other Funds

At June 30, 2025, the City had the following short-term interfund receivables and payables:

	Due to Other Funds	Due From Other Funds
Governmental Funds:		
General Fund	\$ -	\$ 100,660
CDBG	15,511	-
Camp Programs	85,149	-
Total	<u>\$ 100,660</u>	<u>\$ 100,660</u>

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

b. Interfund Transfers

For the year ended June 30, 2025, the City had the following transfers:

Transfers Out	Transfers In				
	General Fund	City CIP Fund	Non-Major Governmental Funds	Solana Energy Alliance Fund	Totals
General Fund	\$ 1,004,938	\$ 2,405,062	\$ -	\$ 289,054	\$ 3,699,054
Non-Major Governmental Funds	- <u> </u>	86,126	70,375	-	156,501
Total	<u>\$ 1,004,938</u>	<u>\$ 2,491,188</u>	<u>\$ 70,375</u>	<u>\$ 289,054</u>	<u>\$ 3,855,555</u>

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

Note 12: Interfund Transactions (Continued)

Transfer was made from the Measure S Fund to the City CIP Fund to provide resources for debt service payments. Transfer was made from the General Fund to the Solana Energy Alliance Fund for the purpose of covering expenses related to the closing of the fund in FY25.

c. Advances to, Advances from other funds

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

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

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

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

Year Ending		Principal	Interest	Total
June 30,				
2026		\$ 433,644	\$ 12,055	\$ 445,699
Total		\$ 433,644	\$ 12,055	\$ 445,699

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**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, 2025, is as follows:

Operating revenues	\$ 11,947,167
Operating expenses	(13,558,626)
Net non-operating income	2,624,143
Capital contributions	1,579,158
Transfer out	<u>(2,193,888)</u>
Change in net position	<u>\$ 397,954</u>
 Total assets and deferred outflows of resources	\$ 118,473,242
Total liabilities and deferred inflows of resources	<u>(42,487,623)</u>
 Net position - total fund equity	<u>\$ 75,985,619</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, 2025, is as follows:

Investment at June 30, 2024	\$ 36,743,833
Capital contribution	630,579
Current year share in the joint venture net income (loss)	<u>452,842</u>
Investment at June 30, 2025	<u>\$ 37,827,254</u>

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2025

Note 14: Non-City Obligations – Special Assessment Debt

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

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

a. Undergrounding Districts

During July 2006, the Solana Beach Public Financing Authority issued Assessment District Revenue Bonds totaling \$2,112,000 (less bond issuance costs of \$244,393) to finance the undergrounding of utility lines for the Barbara/Granados Avenue Utility Undergrounding District and the Pacific Avenue/East and West Circle Drive Utility Underground Assessment District. In July 2008, the City of Solana Beach issued \$480,000 (less bond issuance costs of \$87,775) to finance the undergrounding of utility lines on Marsolan Avenue. The outstanding bonds as of June 30, 2025, were \$1,507,296.

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, 2025, were \$330,000.

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

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

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

a. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012, as a result of the dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2025, follows:

Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
\$ 1,902,400	\$ -	\$ 138,200	\$ 1,764,200	\$ 142,700

2017 Tax Allocation Refunding Bonds

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

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 142,700	\$ 58,098	\$ 200,798
2027	147,700	53,263	200,963
2028	152,500	48,260	200,760
2029	157,800	43,092	200,892
2030	163,100	37,746	200,846
2031 - 2035	902,400	101,984	1,004,384
2036	98,000	1,646	99,646
Total	\$ 1,764,200	\$ 344,089	\$ 2,108,289

CITY OF SOLANA BEACH, CALIFORNIA**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2025**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)****Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$2,108,289 with annual debt service requirements as indicated on the previous page. 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 \$224,799 and the debt service obligation on the bonds was \$200,798.

b. Insurance

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

Note 16: Restatement

During the year ended June 30, 2025, the City adopted new accounting guidance by implementing the provisions of GASB 101. As a result of this implementation, additional compensated absences resulted from the addition of payroll-related taxes and benefits associated with the accrued leave. The following summarizes the net effects on beginning net position:

Description	Governmental Activities	Business-Type Activities/ Sanitation Fund	Total
Net Position - Beginning, as Previously Reported	\$ 72,648,765	\$ 49,587,911	\$ 122,236,676
Adoption of GASB 101	(186,536)	(7,277)	(193,813)
Net Position - Beginning, as restated	\$ 72,462,229	\$ 49,580,634	\$ 122,042,863

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 28,349,784	\$ 28,349,784	\$ 28,349,784	\$ -
Resources (Inflows):				
Taxes:				
Property	10,477,382	11,122,382	11,437,246	314,864
Transient occupancy	1,954,383	2,604,383	2,228,071	(376,312)
Sales	8,976,000	9,276,000	9,347,509	71,509
Franchise and other	3,708,750	3,848,750	4,098,935	250,185
Licenses and permits	622,350	817,350	829,423	12,073
Intergovernmental	99,850	169,850	238,183	68,333
Charges for services	829,000	829,000	1,180,352	351,352
Use of money and property	461,975	738,475	2,002,476	1,264,001
Fines and forfeitures	320,200	328,139	517,129	188,990
Other revenues	3,748,042	4,573,019	4,734,323	161,304
Amounts Available for Appropriations	59,547,716	62,657,132	64,963,431	2,306,299
Charges to Appropriations (Outflows):				
General Government:				
City Council	357,502	390,577	383,881	6,696
City Clerk	705,943	675,943	563,768	112,175
Legal Services	535,066	535,066	381,583	153,483
City Manager	695,974	743,753	635,872	107,881
Finance	1,357,998	2,615,143	2,507,750	107,393
Personnel	680,080	637,680	519,350	118,330
Information Systems	742,608	758,421	671,597	86,824
Support Services	2,054,130	2,045,800	1,962,687	83,113
Total General Government	7,129,301	8,402,383	7,626,488	775,895
Public Safety:				
Marine safety	1,235,710	1,423,915	1,420,322	3,593
Law enforcement	4,962,454	4,977,454	4,977,452	2
Code & parking enforcement	306,105	340,950	315,783	25,167
Fire department	6,295,141	6,536,396	6,389,562	146,834
Animal regulation	94,000	98,236	94,366	3,870
Civil defense	34,750	37,380	36,344	1,036
Total Public Safety	12,928,160	13,414,331	13,233,829	180,502
Public Works:				
Street and other	2,449,279	2,664,418	2,373,153	291,265
Engineering	657,419	805,485	697,128	108,357
Public Facilities	428,670	543,103	510,978	32,125
Total Public Works	3,535,368	4,013,006	3,581,259	431,747
Community Development:				
Planning	1,075,067	1,198,032	1,032,961	165,071
Building services	548,808	698,808	658,245	40,563
Total Community Development	1,623,875	1,896,840	1,691,206	205,634
Community Services:				
Community services	185,049	234,863	204,612	30,251
Recreation programs	692,141	787,031	773,093	13,938
Total Community Services	877,190	1,021,894	977,705	44,189
Capital Outlay	784,000	2,057,273	889,842	1,167,431
Interest Expense	23,785	23,785	23,785	-
Total Charges to Appropriations	26,901,679	30,829,512	28,024,114	2,805,398
Other Financing Sources (Uses):				
Transfers in	1,046,400	4,938	4,938	-
Transfers out	(1,046,400)	(2,699,054)	(2,699,054)	-
Total Other Financing Sources (Uses)	-	(2,694,116)	(2,694,116)	-
Budgetary Fund Balance, June 30, 2025	\$ 32,646,037	\$ 29,133,504	\$ 34,245,201	\$ 5,111,697

See Accompanying Notes to the Required Supplementary Information.

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MISCELLANEOUS EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2025**

Measurement Date	2024	2023	2022	2021	2020
City of Solana Beach's Proportion of the Net Pension Liability	0.16163%	0.15726%	0.15566%	0.06644%	0.05654%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 7,817,417	\$ 7,863,579	\$ 7,283,498	\$ 3,593,385	\$ 6,151,557
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 5,470,650	\$ 4,807,042	\$ 3,483,076	\$ 3,353,666	\$ 3,312,829
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	142.90%	163.58%	209.11%	107.15%	185.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.42%	72.59%	73.14%	88.29%	75.10%
Measurement Date	2019	2018	2017	2016	2015
City of Solana Beach's Proportion of the Net Pension Liability	0.05532%	0.05550%	0.05313%	0.05241%	0.05706%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 5,668,839	\$ 5,177,151	\$ 5,268,836	\$ 4,534,940	\$ 3,550,604
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 3,058,602	\$ 2,879,582	\$ 2,721,499	\$ 2,593,359	\$ 2,409,776
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	185.34%	179.79%	193.60%	174.87%	147.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	72.59%	75.87%	79.82%

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
MISCELLANEOUS EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2025**

Fiscal Year	2025	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 1,083,671	\$ 940,970	\$ 886,210	\$ 768,847	\$ 685,457
Contribution in Relation to the Actuarially Determined Contribution	1,083,671	940,970	886,210	768,847	685,457
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 5,915,589	\$ 5,470,650	\$ 4,807,042	\$ 3,483,076	\$ 3,353,666
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	18.32%	17.20%	18.44%	22.07%	20.44%
Fiscal Year	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 636,152	\$ 541,582	\$ 460,816	\$ 417,318	\$ 385,634
Contribution in Relation to the Actuarially Determined Contribution	636,152	541,582	460,816	417,318	385,634
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 3,312,829	\$ 3,058,602	\$ 2,879,582	\$ 2,721,499	\$ 2,593,359
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.20%	17.71%	16.00%	15.33%	14.87%

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SAFETY EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2025**

Measurement Date	2024	2023	2022	2021	2020
City of Solana Beach's Proportion of the Net Pension Liability	0.17795%	0.17562%	0.17683%	0.12686%	0.09655%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 12,973,855	\$ 13,127,102	\$ 12,151,239	\$ 6,861,102	\$ 10,505,198
Employees Plan Covered Payroll	\$ 3,888,044	\$ 3,640,252	\$ 2,258,877	\$ 2,138,322	\$ 2,389,544
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	333.69%	360.61%	537.93%	320.86%	439.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.23%	68.70%	69.25%	88.29%	75.10%
Measurement Date	2019	2018	2017	2016	2015
City of Solana Beach's Proportion of the Net Pension Liability	0.09380%	0.09361%	0.08816%	0.08774%	0.09490%
City of Solana Beach's Proportionate Share of the Net Pension Liability	\$ 9,611,934	\$ 8,884,523	\$ 8,742,997	\$ 7,592,101	\$ 5,905,301
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 2,270,208	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065	\$ 1,997,991
City of Solana Beach's Proportionate Share of the Net Pension Liability as a Percentage of the Miscellaneous Employees Plan Covered Payroll	423.39%	395.02%	413.34%	358.78%	295.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	72.59%	75.87%	79.82%

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
SAFETY EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2025**

Fiscal Year	2025	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 1,526,383	\$ 1,366,543	\$ 1,309,122	\$ 1,169,287	\$ 1,045,632
Contribution in Relation to the Actuarially Determined Contribution	1,526,383	1,366,543	1,309,122	1,169,287	1,045,632
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 4,150,002	\$ 3,888,044	\$ 3,640,252	\$ 2,258,877	\$ 2,138,322
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	35.15%	35.96%	51.76%	48.90%
Fiscal Year	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 988,753	\$ 838,065	\$ 717,659	\$ 673,212	\$ 619,022
Contribution in Relation to the Actuarially Determined Contribution	988,753	838,065	717,659	673,212	619,022
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Solana Beach's Miscellaneous Employees Plan Covered Payroll	\$ 2,389,544	\$ 2,270,208	\$ 2,249,144	\$ 2,115,191	\$ 2,116,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.38%	36.92%	31.91%	31.83%	29.25%

CITY OF SOLANA BEACH, CALIFORNIA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 RETIREE HEALTHCARE PLAN
 LAST TEN FISCAL YEARS
 JUNE 30, 2025

	2025	2024	2023	2022	2021
TOTAL OPEB LIABILITY					
Service cost	\$ 103,833	\$ 119,498	\$ 116,300	\$ 118,609	\$ 115,154
Interest	186,870	201,827	198,346	214,173	210,592
Actual vs. expected experience	-	(198,698)	-	(43,558)	-
Assumption changes	-	(134,658)	-	11,837	-
Benefit payments	(239,934)	(248,605)	(260,465)	(263,592)	(275,453)
Net Changes	50,769	(260,636)	54,181	37,469	50,293
Total OPEB Liability - Beginning	3,413,755	3,674,391	3,620,210	3,582,741	3,532,448
Total OPEB Liability - Ending (a)	\$ 3,464,524	\$ 3,413,755	\$ 3,674,391	\$ 3,620,210	\$ 3,582,741
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 577,889	\$ 369,427	\$ 398,228	\$ 402,299	\$ 480,132
Net investment income	182,858	160,626	95,935	(189,608)	210,366
Benefit payments	(239,934)	(248,605)	(260,465)	(263,592)	(275,453)
Administrative expenses	(6,565)	(5,411)	(4,005)	(3,959)	(3,382)
Other changes	-	-	-	-	(1,390)
Net Changes	514,248	276,037	229,693	(54,860)	410,273
Plan Fiduciary Net Position - Beginning	1,709,751	1,433,714	1,204,021	1,258,881	848,608
Plan Fiduciary Net Position - Ending (b)	\$ 2,223,999	\$ 1,709,751	\$ 1,433,714	\$ 1,204,021	\$ 1,258,881
PLAN NET OPEB LIABILITY - ENDING (a) - (b)	\$ 1,240,525	\$ 1,704,004	\$ 2,240,677	\$ 2,416,189	\$ 2,323,860
Retiree Healthcare Plan Fiduciary Net Position as a Percentage of the Plan Total OPEB Liability	64.19%	50.08%	39.02%	33.26%	35.14%
City of Solana Beach's Retiree Healthcare Plan Covered-Employee Payroll	\$ 9,350,067	\$ 8,681,872	\$ 7,935,037	\$ 8,681,872	\$ 7,935,037
City of Solana Beach's Net Retiree Healthcare Plan OPEB Liability as a Percentage of Retiree Healthcare Plan Covered-Employee Payroll	13.27%	19.63%	28.24%	27.83%	29.29%

CITY OF SOLANA BEACH, CALIFORNIA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 RETIREE HEALTHCARE PLAN
 LAST TEN FISCAL YEARS
 JUNE 30, 2025

	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	\$ 140,334	\$ 218,793	\$ 231,577	\$ 225,000
Interest	231,171	187,559	172,035	164,000
Actual vs. expected experience	(42,558)	-	-	-
Assumption changes	(384,986)	(1,145,939)	(242,883)	-
Benefit payments	(248,040)	(230,041)	(219,042)	(147,532)
Net Changes	(304,079)	(969,628)	(58,313)	241,468
Total OPEB Liability - Beginning	<u>3,836,527</u>	<u>4,806,155</u>	<u>4,864,468</u>	<u>4,623,000</u>
Total OPEB Liability - Ending (a)	\$ 3,532,448	\$ 3,836,527	\$ 4,806,155	\$ 4,864,468
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 446,751	\$ 484,191	\$ 307,582	\$ 233,000
Net investment income	20,418	27,769	23,652	17,000
Benefit payments	(248,040)	(227,210)	(219,042)	(148,000)
Administrative expenses	(4,056)	(2,496)	(2,062)	-
Other changes	-	-	-	151
Net Changes	215,073	282,254	110,130	102,151
Plan Fiduciary Net Position - Beginning	<u>633,535</u>	<u>351,281</u>	<u>241,151</u>	<u>139,000</u>
Plan Fiduciary Net Position - Ending (b)	\$ 848,608	\$ 633,535	\$ 351,281	\$ 241,151
PLAN NET OPEB LIABILITY - ENDING (a) - (b)	\$ 2,683,840	\$ 3,202,992	\$ 4,454,874	\$ 4,623,317
Retiree Healthcare Plan Fiduciary Net Position as a Percentage of the Plan Total OPEB Liability	24.02%	16.51%	7.31%	4.96%
City of Solana Beach's Retiree Healthcare Plan Covered-Employee Payroll	\$ 7,671,497	\$ 7,533,033	\$ 7,506,736	\$ 7,050,741
City of Solana Beach's Net Retiree Healthcare Plan OPEB Liability as a Percentage of Retiree Healthcare Plan Covered-Employee Payroll	34.98%	42.52%	59.35%	65.57%

CITY OF SOLANA BEACH, CALIFORNIA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREE HEALTHCARE PLAN
LAST TEN FISCAL YEARS
JUNE 30, 2025**

	2025	2024	2023	2022	2021
Retiree Healthcare Plan Actuarially Determined Contribution	\$ 318,178	\$ 317,950	\$ 321,907	\$ 318,390	\$ 389,000
Retiree Healthcare Plan Contributions in Relation to the Actuarially Determined Contribution	577,889	369,427	398,228	402,299	480,132
Contribution Excess (Deficiency)	\$ 259,711	\$ 51,477	\$ 76,321	\$ 83,909	\$ 91,132
Retiree Healthcare Plan Covered-Employee Payroll	\$ 9,350,067	\$ 8,681,872	\$ 7,935,037	\$ 7,671,497	\$ 7,533,033
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.18%	4.26%	5.02%	5.24%	6.37%
	2020	2019	2018	2017	
Retiree Healthcare Plan Actuarially Determined Contribution	\$ 378,000	\$ 484,191	\$ 220,491	\$ 531,000	
Retiree Healthcare Plan Contributions in Relation to the Actuarially Determined Contribution	446,751	484,191	252,055	233,000	
Contribution Excess (Deficiency)	\$ 68,751	\$ -	\$ 31,564	\$ (298,000)	
Retiree Healthcare Plan Covered-Employee Payroll	\$ 7,506,736	\$ 7,050,741	\$ 6,666,082	\$ 6,406,137	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	5.95%	6.87%	3.78%	3.64%	

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2025

Note 1: Budgetary Information

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

The City Council may amend the budget by motion during the fiscal year. The appropriations constitute the budget for the 2024-2025 fiscal year and the City Manager is authorized to transfer monies between accounts within a department, provided that the total budget for the department is not exceeded. Transfer of monies from one department of the City to another, or from one fund to another, shall be approved by the City Council. However, any revisions that alter total expenditures of any fund must be approved by the City Council.

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

Note 2: Miscellaneous and Safety Employees' Pension Plans

1. Benefit Changes:
 - a. There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs.
2. Changes of Assumptions:
 - a. There were no assumption changes in 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2025

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

3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Valuation Date: June 30, 2022
 - b. Actuarial Cost Method: Entry Age Normal Cost Method
 - c. Amortization Method: Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
 - d. Asset Valuation Method: Fair value of assets
 - e. Inflation: 2.30%
 - f. Salary Increases: Varies by category, entry age and duration of service.
 - g. Discount Rate: 6.90% (net of administrative expenses)
 - h. Payroll Growth: 2.80%

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

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

CITY OF SOLANA BEACH, CALIFORNIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2025

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

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

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

Special Revenue Funds

	Gas Tax	TransNet	Municipal Improvement	Districts
ASSETS				
Cash and investments	\$ 873,133	\$ 357,188	\$ 896,493	
Receivables:				
Accounts	-	-	-	
Interest	5,860	3,360	13,073	
Intergovernmental	31,482	-	7,026	
Inventories	-	-	-	
Total Assets	<u>\$ 910,475</u>	<u>\$ 360,548</u>	<u>\$ 916,592</u>	
LIABILITIES				
Accounts payable	\$ 13,209	\$ 7,485	\$ 51,992	
Accrued liabilities	-	-	1,208	
Unearned revenues	-	-	-	
Deposits payable	-	-	-	
Due to other funds	-	-	-	
Total Liabilities	<u>13,209</u>	<u>7,485</u>	<u>53,200</u>	
FUND BALANCES				
Nonspendable	-	-	-	
Restricted	897,266	353,063	863,392	
Unassigned (Deficit)	-	-	-	
Total Fund Balances (Deficit)	<u>897,266</u>	<u>353,063</u>	<u>863,392</u>	
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ 910,475</u>	<u>\$ 360,548</u>	<u>\$ 916,592</u>	

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

(continued)

Special Revenue Funds

	Lighting District	COPS	Public Safety
ASSETS			
Cash and investments	\$ 3,844,984	\$ 333,831	\$ 856,399
Receivables:			
Accounts	-	-	39,871
Interest	34,154	-	9,085
Intergovernmental	7,282	-	-
Inventories	-	-	-
Total Assets	<u>\$ 3,886,420</u>	<u>\$ 333,831</u>	<u>\$ 905,355</u>
LIABILITIES			
Accounts payable	\$ 25,455	\$ -	\$ 24,145
Accrued liabilities	9,482	-	7,726
Unearned revenues	-	1	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>34,937</u>	<u>1</u>	<u>31,871</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	3,851,483	333,830	873,484
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	<u>3,851,483</u>	<u>333,830</u>	<u>873,484</u>
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ 3,886,420</u>	<u>\$ 333,831</u>	<u>\$ 905,355</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

(continued)

	Special Revenue Funds					Coastal Area	
						Business /	
						Visitor	
	Fire Mitigation	Act	Transportation Development	CDBG	Assistance & Enhancement		
ASSETS							
Cash and investments	\$ 55,272	\$ -	\$ -	\$ -	\$ -	\$ 1,540,989	
Receivables:							
Accounts	-	-	-	-	-	-	
Interest	696	-	-	-	-	13,008	
Intergovernmental	-	-	-	748	748	-	
Inventories	-	-	-	-	-	-	
Total Assets	<u>\$ 55,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 748</u>	<u>\$ 748</u>	<u>\$ 1,553,997</u>	
LIABILITIES							
Accounts payable	\$ 1,902	\$ -	\$ -	\$ 2,715	\$ 2,715	\$ 45,603	
Accrued liabilities	-	-	-	-	-	-	
Unearned revenues	-	-	-	-	-	-	
Deposits payable	-	-	-	-	-	-	
Due to other funds	-	-	-	15,511	15,511	-	
Total Liabilities	<u>1,902</u>	<u>-</u>	<u>-</u>	<u>18,226</u>	<u>18,226</u>	<u>45,603</u>	
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	
Restricted	54,066	-	-	-	-	1,508,394	
Unassigned (Deficit)	-	-	(17,478)	(17,478)	(17,478)	-	
Total Fund Balances (Deficit)	<u>54,066</u>	<u>-</u>	<u>(17,478)</u>	<u>(17,478)</u>	<u>(17,478)</u>	<u>1,508,394</u>	
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ 55,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 748</u>	<u>\$ 748</u>	<u>\$ 1,553,997</u>	

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

(continued)

Special Revenue Funds

	Boating & Waterways	Miscellaneous Grants	Developer Pass- Thru
ASSETS			
Cash and investments	\$ -	\$ 205,294	\$ 614,907
Receivables:			
Accounts	-	2,790	-
Interest	-	-	6,171
Intergovernmental	-	7,788	-
Inventories	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 215,872</u>	<u>\$ 621,078</u>
LIABILITIES			
Accounts payable	\$ -	\$ 13,458	\$ 2,266
Accrued liabilities	-	-	-
Unearned revenues	-	76,814	618,434
Deposits payable	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>-</u>	<u>90,272</u>	<u>620,700</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	125,600	-
Unassigned (Deficit)	-	-	378
Total Fund Balances (Deficit)	<u>-</u>	<u>125,600</u>	<u>378</u>
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ -</u>	<u>\$ 215,872</u>	<u>\$ 621,078</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

(continued)

Special Revenue Funds

			Camp	SB 1 Streets &
	Housing	Programs		Roads
ASSETS				
Cash and investments	\$ 1,550,806	\$ (26,512)	\$ 473,441	
Receivables:				
Accounts	-	17,812		-
Interest	16,627	-	1,937	
Intergovernmental	-	-	62,184	
Inventories	-	63,200		-
Total Assets	<u>\$ 1,567,433</u>	<u>\$ 54,500</u>	<u>\$ 537,562</u>	
LIABILITIES				
Accounts payable	\$ -	\$ 19,483	\$ -	
Accrued liabilities	-	55,365	-	
Unearned revenues	-	-	-	
Deposits payable	-	455	-	
Due to other funds	-	85,149	-	
Total Liabilities	<u>-</u>	<u>160,452</u>	<u>-</u>	
FUND BALANCES				
Nonspendable	-	63,200		-
Restricted	1,567,433	-	537,562	
Unassigned (Deficit)	-	(169,152)	-	
Total Fund Balances (Deficit)	<u>1,567,433</u>	<u>(105,952)</u>	<u>537,562</u>	
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ 1,567,433</u>	<u>\$ 54,500</u>	<u>\$ 537,562</u>	

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

(continued)

	Capital Project Funds		Debt Service Fund		
	Assessment Districts	CIP	Sand Replenishment	City Debt Service	Total
ASSETS					
Cash and investments	\$ 92,555		\$ 1,795,579	\$ 24,916	\$ 13,489,275
Receivables:					
Accounts	-		-	-	60,473
Interest	-		13,628	-	117,599
Intergovernmental	-		-	-	116,510
Inventories	-		-	-	63,200
Total Assets	<u>\$ 92,555</u>		<u>\$ 1,809,207</u>	<u>\$ 24,916</u>	<u>\$ 13,847,057</u>
LIABILITIES					
Accounts payable	\$ -	\$ 36,837	\$ -	\$ -	\$ 244,550
Accrued liabilities	-	-	-	-	73,781
Unearned revenues	-	-	-	-	695,249
Deposits payable	-	-	-	-	455
Due to other funds	-	-	-	-	100,660
Total Liabilities	<u>-</u>	<u>36,837</u>	<u>-</u>	<u>-</u>	<u>1,114,695</u>
FUND BALANCES					
Nonspendable	-	-	-	-	63,200
Restricted	92,555		1,772,370	24,916	12,855,414
Unassigned (Deficit)	-		-	-	(186,252)
Total Fund Balances (Deficit)	<u>92,555</u>		<u>1,772,370</u>	<u>24,916</u>	<u>12,732,362</u>
Total Liabilities of Resources and Fund Balances (Deficit)	<u>\$ 92,555</u>		<u>\$ 1,809,207</u>	<u>\$ 24,916</u>	<u>\$ 13,847,057</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

Special Revenue Funds			
	Gas Tax	TransNet	Municipal Improvement Districts
REVENUES			
Taxes and assessments	\$ 371,267	\$ -	\$ 835,482
License and permits	-	32,607	-
Intergovernmental	-	535,105	2,552
Charges for services	-	-	-
Use of money and property	28,968	15,973	64,470
Other revenues	-	-	-
Total Revenues	<u>400,235</u>	<u>583,685</u>	<u>902,504</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	-	-	1,359,343
Community development	-	-	-
Community services	-	-	-
Capital outlay	252,483	219,637	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	325,105	-
Total Expenditures	<u>252,483</u>	<u>544,742</u>	<u>1,359,343</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>147,752</u>	<u>38,943</u>	<u>(456,839)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	<u>(81,188)</u>	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(81,188)</u>	<u>-</u>
Net Change in Fund Balance	<u>147,752</u>	<u>(42,245)</u>	<u>(456,839)</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>749,514</u>	<u>395,308</u>	<u>1,320,231</u>
Fund Balance - Ending	<u>\$ 897,266</u>	<u>\$ 353,063</u>	<u>\$ 863,392</u>

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

(continued)

Special Revenue Funds

	Lighting District	COPS	Public Safety
REVENUES			
Taxes and assessments	\$ 805,092	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	3,015	194,663	351,155
Charges for services	-	-	-
Use of money and property	185,816	-	42,172
Other revenues	-	-	3,112
Total Revenues	<u>993,923</u>	<u>194,663</u>	<u>396,439</u>
EXPENDITURES			
Current:			
Public safety	-	195,376	302,929
Public works	725,452	-	-
Community development	-	-	-
Community services	-	-	-
Capital outlay	-	-	32,581
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>725,452</u>	<u>195,376</u>	<u>335,510</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>268,471</u>	<u>(713)</u>	<u>60,929</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(70,375)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(70,375)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>198,096</u>	<u>(713)</u>	<u>60,929</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>3,653,387</u>	<u>334,543</u>	<u>812,555</u>
Fund Balance - Ending	<u>\$ 3,851,483</u>	<u>\$ 333,830</u>	<u>\$ 873,484</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(continued)

Special Revenue Funds			
	Fire Mitigation	CDBG	Coastal Area Business/Visitor Assistance & Enhancement
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 222,807
License and permits	-	-	-
Intergovernmental	-	51,928	-
Charges for services	11,440	-	-
Use of money and property	3,331	-	61,390
Other revenues	-	-	2,675
Total Revenues	<u>14,771</u>	<u>51,928</u>	<u>286,872</u>
EXPENDITURES			
Current:			
Public safety	21,910	748	-
Public works	-	-	-
Community development	-	-	73,538
Community services	-	-	-
Capital outlay	-	51,921	59,543
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>21,910</u>	<u>52,669</u>	<u>133,081</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(7,139)</u>	<u>(741)</u>	<u>153,791</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(7,139)</u>	<u>(741)</u>	<u>153,791</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>61,205</u>	<u>(16,737)</u>	<u>1,354,603</u>
Fund Balance - Ending	<u>\$ 54,066</u>	<u>\$ (17,478)</u>	<u>\$ 1,508,394</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(continued)

<u>Special Revenue Funds</u>			
	<u>Boating & Waterways</u>	<u>Miscellaneous Grants</u>	<u>Developer Pass-Thru</u>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	-	71,566	-
Charges for services	-	-	16,363
Use of money and property	-	-	25,977
Other revenues	-	-	-
Total Revenues	<u>-</u>	<u>71,566</u>	<u>42,340</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	-	72,278	-
Community development	-	-	41,962
Community services	-	-	-
Capital outlay	-	7,788	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>-</u>	<u>80,066</u>	<u>41,962</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>-</u>	<u>(8,500)</u>	<u>378</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(3,967)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,967)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,967)</u>	<u>(8,500)</u>	<u>378</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>3,967</u>	<u>134,100</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 125,600</u>	<u>\$ 378</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(continued)

<u>Special Revenue Funds</u>			
	<u>Housing</u>	<u>Camp Programs</u>	<u>SB1 Streets & Roads</u>
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 352,875
License and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	612,593	-
Use of money and property	78,319	-	15,207
Other revenues	27,569	-	-
Total Revenues	<u>105,888</u>	<u>612,593</u>	<u>368,082</u>
EXPENDITURES			
Current:			
Public safety	-	542,855	-
Public works	-	-	-
Community development	-	-	-
Community services	-	125,813	-
Capital outlay	-	-	300,098
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>-</u>	<u>668,668</u>	<u>300,098</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>105,888</u>	<u>(56,075)</u>	<u>67,984</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>105,888</u>	<u>(56,075)</u>	<u>67,984</u>
Fund Balances (Deficit):			
Fund Balance - Beginning	<u>1,461,545</u>	<u>(49,877)</u>	<u>469,578</u>
Fund Balance - Ending	<u>\$ 1,567,433</u>	<u>\$ (105,952)</u>	<u>\$ 537,562</u>

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF REVENUES
EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(continued)

	Capital Project Funds		Debt Service		
	Assessment Districts CIP	Sand Replenishment	Fund	City Debt Service	
REVENUES					
Taxes and assessments	\$ -	\$ 445,614	\$ -	\$ 3,033,137	
License and permits	-	-	-	32,607	
Intergovernmental	-	-	-	1,209,984	
Charges for services	-	-	-	640,396	
Use of money and property	-	68,418	-	590,041	
Other revenues	-	-	-	33,356	
Total Revenues	-	514,032	-	5,539,521	
EXPENDITURES					
Current:					
Public safety	-	-	-	1,063,818	
Public works	-	-	-	2,157,073	
Community development	-	-	-	115,500	
Community services	-	-	-	125,813	
Capital outlay	7,855	130,178	-	1,062,084	
Debt service:					
Principal retirement	-	-	62,972	62,972	
Interest and fiscal charges	-	-	7,402	332,507	
Total Expenditures	7,855	130,178	70,374	4,919,767	
Excess (Deficiency) of Revenue Over (Under) Expenditures	(7,855)	383,854	(70,374)	619,754	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	70,375	70,375	
Transfers out	-	-	(971)	(156,501)	
Total Other Financing Sources (Uses)	-	-	69,404	(86,126)	
Net Change in Fund Balance	(7,855)	383,854	(970)	533,628	
Fund Balances (Deficit):					
Fund Balance - Beginning	100,410	1,388,516	25,886	12,198,734	
Fund Balance - Ending	\$ 92,555	\$ 1,772,370	\$ 24,916	\$ 12,732,362	

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GAS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 749,514	\$ 749,514	\$ 749,514	\$ -
Resources (Inflows):				
Taxes and assessments	386,908	386,908	371,267	(15,641)
Use of money and property	2,100	2,100	28,968	26,868
Amounts Available for Appropriations	1,138,522	1,138,522	1,149,749	11,227
Charges to Appropriations (Outflows):				
Capital outlay	430,000	670,172	252,483	417,689
Total Charges to Appropriations	430,000	670,172	252,483	417,689
Budgetary Fund Balance, June 30, 2025	\$ 708,522	\$ 468,350	\$ 897,266	\$ 428,916

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
TRANSENTRAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 395,308	\$ 395,308	\$ 395,308	\$ -
Resources (Inflows):				
Service fees	50,000	50,000	32,607	(17,393)
Intergovernmental	483,530	483,530	535,105	51,575
Use of money and property	1,575	1,575	15,973	14,398
Amounts Available for Appropriations	930,413	930,413	978,993	48,580
Charges to Appropriations (Outflows):				
Current:				
Public works	-	15,350	-	15,350
Capital outlay	210,000	552,401	219,637	332,764
Debt service:				
Interest and fiscal charges	325,105	325,105	325,105	-
Transfers out	-	81,188	81,188	-
Total Charges to Appropriations	535,105	974,044	625,930	348,114
Budgetary Fund Balance, June 30, 2025	\$ 395,308	\$ (43,631)	\$ 353,063	\$ 396,694

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MUNICIPAL IMPROVEMENT DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 1,320,231	\$ 1,320,231	\$ 1,320,231	\$ -
Resources (Inflows):				
Taxes and assessments	775,638	775,638	835,482	59,844
Intergovernmental	2,700	2,700	2,552	(148)
Use of money and property	15,278	15,405	64,470	49,065
Amounts Available for Appropriations	2,113,847	2,113,974	2,222,735	108,761
Charges to Appropriations (Outflows):				
Current:				
Public works	883,614	1,386,543	1,359,343	27,200
Total Charges to Appropriations	883,614	1,386,543	1,359,343	27,200
Budgetary Fund Balance, June 30, 2025	\$ 1,230,233	\$ 727,431	\$ 863,392	\$ 135,961

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
LIGHTING DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 3,653,387	\$ 3,653,387	\$ 3,653,387	\$ -
Resources (Inflows):				
Taxes and assessments	724,327	724,327	805,092	80,765
Intergovernmental	3,200	3,200	3,015	(185)
Use of money and property	42,525	42,525	185,816	143,291
Amounts Available for Appropriations	4,423,439	4,423,439	4,647,310	223,871
Charges to Appropriations (Outflows):				
Current:				
Public works	776,868	817,825	725,452	92,373
Transfers out	70,375	70,375	70,375	-
Total Charges to Appropriations	847,243	888,200	795,827	92,373
Budgetary Fund Balance, June 30, 2025	\$ 3,576,196	\$ 3,535,239	\$ 3,851,483	\$ 316,244

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
COPS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 334,543	\$ 334,543	\$ 334,543	\$ -
Resources (Inflows):				
Intergovernmental	145,000	153,800	194,663	40,863
Use of money and property	3,150	3,150	-	(3,150)
Amounts Available for Appropriations	482,693	491,493	529,206	37,713
Charges to Appropriations (Outflows):				
Current:				
Public safety	145,000	195,377	195,376	1
Total Charges to Appropriations	145,000	195,377	195,376	1
Budgetary Fund Balance, June 30, 2025	\$ 337,693	\$ 296,116	\$ 333,830	\$ 37,714

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 812,555	\$ 812,555	\$ 812,555	\$ -
Resources (Inflows):				
Intergovernmental	220,000	220,000	351,155	131,155
Use of money and property	-	-	42,172	42,172
Other revenues	-	3,112	3,112	-
Amounts Available for Appropriations	1,032,555	1,035,667	1,208,994	173,327
Charges to Appropriations (Outflows):				
Current:				
Public safety	220,000	327,848	302,929	24,919
Capital outlay	-	60,000	32,581	27,419
Total Charges to Appropriations	220,000	387,848	335,510	52,338
Budgetary Fund Balance, June 30, 2025	\$ 812,555	\$ 647,819	\$ 873,484	\$ 225,665

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
FIRE MITIGATION FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 61,205	\$ 61,205	\$ 61,205	\$ -
Resources (Inflows):				
Charges for services	15,000	15,000	11,440	(3,560)
Use of money and property	-	-	3,331	3,331
Amounts Available for Appropriations	76,205	76,205	75,976	(229)
Charges to Appropriations (Outflows):				
Current:				
Public safety	15,000	36,600	21,910	14,690
Total Charges to Appropriations	15,000	36,600	21,910	14,690
Budgetary Fund Balance, June 30, 2025	\$ 61,205	\$ 39,605	\$ 54,066	\$ 14,461

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CDBG FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ (16,737)	\$ (16,737)	\$ (16,737)	\$ -
Resources (Inflows):				
Intergovernmental	45,000	103,312	51,928	(51,384)
Amounts Available for Appropriations	28,263	86,575	35,191	(51,384)
Charges to Appropriations (Outflows):				
Current:				
Public safety	-	750	748	2
Capital outlay	45,000	102,562	51,921	50,641
Total Charges to Appropriations	45,000	103,312	52,669	50,643
Budgetary Fund Balance, June 30, 2025	\$ (16,737)	\$ (16,737)	\$ (17,478)	\$ (741)

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 COASTAL AREA BUSINESS/VISITOR ASSISTANCE AND ENHANCEMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 1,354,603	\$ 1,354,603	\$ 1,354,603	\$ -
Resources (Inflows):				
Taxes and assessments	195,438	220,438	222,807	2,369
Use of money and property	10,500	10,500	61,390	50,890
Other revenues	3,500	3,500	2,675	(825)
Amounts Available for Appropriations	1,564,041	1,589,041	1,641,475	52,434
Charges to Appropriations (Outflows):				
Current:				
Community development	91,374	128,482	73,538	54,944
Capital outlay	-	164,960	59,543	105,417
Total Charges to Appropriations	91,374	293,442	133,081	160,361
Budgetary Fund Balance, June 30, 2025	\$ 1,472,667	\$ 1,295,599	\$ 1,508,394	\$ 212,795

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 134,100	\$ 134,100	\$ 134,100	\$ -
Resources (Inflows):				
Intergovernmental	18,000	7,048,538	71,566	(6,976,972)
Amounts Available for Appropriations	152,100	7,182,638	205,666	(6,976,972)
Charges to Appropriations (Outflows):				
Current:				
General government	5,000	3,772	-	3,772
Public safety	13,000	13,000	-	13,000
Public works	-	72,278	72,278	-
Capital outlay	-	7,007,788	7,788	7,000,000
Total Charges to Appropriations	18,000	7,096,838	80,066	7,016,772
Budgetary Fund Balance, June 30, 2025	\$ 134,100	\$ 85,800	\$ 125,600	\$ 39,800

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
DEVELOPER PASS-THRU FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	100,000	100,000	16,363	(83,637)
Use of money and property	-	25,000	25,977	977
Other revenues	-	-	-	-
Amounts Available for Appropriations	100,000	125,000	42,340	(82,660)
Charges to Appropriations (Outflows):				
Current:				
Community development	100,000	113,385	41,962	71,423
Total Charges to Appropriations	100,000	113,385	41,962	71,423
Budgetary Fund Balance, June 30, 2025	\$ -	\$ 11,615	\$ 378	\$ (11,237)

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 1,461,545	\$ 1,461,545	\$ 1,461,545	\$ -
Resources (Inflows):				
Use of money and property	6,300	6,300	78,319	72,019
Other revenues	-	-	27,569	27,569
Amounts Available for Appropriations	1,467,845	1,467,845	1,567,433	99,588
Charges to Appropriations (Outflows):				
Current:				
Community development	10,000	10,000	-	10,000
Total Charges to Appropriations	10,000	10,000	-	10,000
Budgetary Fund Balance, June 30, 2025	\$ 1,457,845	\$ 1,457,845	\$ 1,567,433	\$ 109,588

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CAMP PROGRAMS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ (49,877)	\$ (49,877)	\$ (49,877)	\$ -
Resources (Inflows):				
Charges for services	565,000	565,000	612,593	47,593
Amounts Available for Appropriations	515,123	515,123	562,716	47,593
Charges to Appropriations (Outflows):				
Current:				
Public safety	629,412	603,766	542,855	60,911
Community services	123,976	134,148	125,813	8,335
Total Charges to Appropriations	753,388	737,914	668,668	69,246
Budgetary Fund Balance, June 30, 2025	\$ (238,265)	\$ (222,791)	\$ (105,952)	\$ 116,839

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
SB1 STREETS & ROADS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 469,578	\$ 469,578	\$ 469,578	\$ -
Resources (Inflows):				
Taxes and assessments	260,100	260,100	352,875	92,775
Use of money and property	-	100	15,207	15,107
Amounts Available for Appropriations	729,678	729,778	837,660	107,882
Charges to Appropriations (Outflows):				
Capital outlay	300,000	600,100	300,098	300,002
Total Charges to Appropriations	300,000	600,100	300,098	300,002
Budgetary Fund Balance, June 30, 2025	\$ 429,678	\$ 129,678	\$ 537,562	\$ 407,884

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CITY CIP FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 9,376,614	\$ 9,376,614	\$ 9,376,614	\$ -
Resources (Inflows):				
Charges for services	305,000	1,302,155	1,178,291	(123,864)
Use of money and property	7,140	14,251	505,257	491,006
Other revenues	-	-	1,750	1,750
Transfers in	-	2,491,188	2,491,188	-
Amounts Available for Appropriations	9,688,754	13,184,208	13,553,100	368,892
Charges to Appropriations (Outflows):				
Current:				
Public works	-	17,624	14,777	2,847
Capital outlay	480,000	7,838,385	838,418	6,999,967
Total Charges to Appropriations	480,000	7,856,009	853,195	7,002,814
Budgetary Fund Balance, June 30, 2025	\$ 9,208,754	\$ 5,328,199	\$ 12,699,905	\$ 7,371,706

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
SAND REPLENISHMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2024	\$ 1,388,516	\$ 1,388,516	\$ 1,388,516	\$ -
Resources (Inflows):				
Taxes and assessments	390,876	390,876	445,614	54,738
Use of money and property	8,400	71,440	68,418	(3,022)
Amounts Available for Appropriations	1,787,792	1,850,832	1,902,548	51,716
Charges to Appropriations (Outflows):				
Capital outlay	190,000	443,040	130,178	312,862
Total Charges to Appropriations	190,000	443,040	130,178	312,862
Budgetary Fund Balance, June 30, 2025	\$ 1,597,792	\$ 1,407,792	\$ 1,772,370	\$ 364,578

CITY OF SOLANA BEACH, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CITY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Budgetary Fund Balance, July 1, 2024	\$ 25,886	\$ 25,886	\$ 25,886	\$ -	-
Resources (Inflows):					
Transfers in	70,375	70,375	70,375		-
Amounts Available for Appropriations	96,261	96,261	96,261		-
Charges to Appropriations (Outflows):					
Debt service:					
Principal retirement	62,973	62,973	62,972		1
Interest and fiscal charges	7,402	7,402	7,402		-
Total Charges to Appropriations	70,375	71,346	71,345		1
Budgetary Fund Balance, June 30, 2025	\$ 25,886	\$ 24,915	\$ 24,916		1

FIDUCIARY FUNDS

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

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

CITY OF SOLANA BEACH, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Undergrounding Districts	South Solana Sewer District	Total
ASSETS			
Cash and cash equivalents	\$ 255,084	\$ 74,947	\$ 330,031
Investments:			
Money market mutual funds	381	51	432
Local Agency Investment Fund	60,535	-	60,535
Asset-backed securities	13,421	1,791	15,212
Federal agency securities	40,104	5,352	45,456
Medium term corporate notes	35,401	4,724	40,125
Supranational securities	3,435	459	3,894
US Treasury securities	83,990	11,207	95,197
Receivables:			
Due from other governments	1,706	4,195	5,901
Total Assets	494,056	102,726	596,782
LIABILITIES			
Accounts payable	817	1,216	2,033
Total Liabilities	817	1,216	2,033
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	493,239	101,510	594,749
Total Net Position	\$ 493,239	\$ 101,510	\$ 594,749

CITY OF SOLANA BEACH, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Undergrounding Districts	South Solana Sewer District	Total
ADDITIONS			
Investment earnings	\$ 432	\$ 101	\$ 533
Special assessment collections	189,451	41,015	230,466
Total Additions	<u>189,883</u>	<u>41,116</u>	<u>230,999</u>
DEDUCTIONS			
Contractual services	4,590	1,654	6,244
Principal	80,000	20,000	100,000
Interest expense	89,112	16,879	105,991
Total Deductions	<u>173,702</u>	<u>38,533</u>	<u>212,235</u>
Net Increase (Decrease) in Fiduciary Net Position	16,181	2,583	18,764
Net Position - Beginning	<u>477,058</u>	<u>98,927</u>	<u>575,985</u>
Net Position - Ending	<u>\$ 493,239</u>	<u>\$ 101,510</u>	<u>\$ 594,749</u>

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STATISTICAL SECTION

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

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Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	136
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources.	140
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	144
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	148
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	151

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

CITY OF SOLANA BEACH

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

	Fiscal Year, Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government activities										
Net Investment in Capital										
Assets	\$ 30,366	\$ 28,412	\$ 27,241	\$ 29,397	\$ 26,666	\$ 26,653	\$ 26,397	\$ 34,678	\$ 37,408	\$ 37,417
Restricted	5,826	6,620	9,139	11,239	12,665	14,174	17,971	21,964	27,018	32,257
Unrestricted	1,231	1,795	(2,320)	(3,911)	(1,488)	(1,346)	290	5,289	8,223	11,141
Total governmental activities										
net position	\$ 37,423	\$ 36,827	\$ 34,060	\$ 36,725	\$ 37,843	\$ 39,481	\$ 44,658	\$ 61,931	\$ 72,649	\$ 80,815
Business-type activities										
Net Investment in Capital										
Assets	\$ 5,594	\$ 6,195	\$ 5,929	\$ 8,893	\$ 12,053	\$ 11,186	\$ 11,656	\$ 11,548	\$ 11,538	\$ 11,378
Unrestricted	29,711	32,867	36,722	35,711	34,350	36,890	38,141	39,496	38,050	39,640
Total governmental activities										
net position	\$ 35,305	\$ 39,062	\$ 42,651	\$ 44,604	\$ 46,403	\$ 48,076	\$ 49,797	\$ 51,044	\$ 49,588	\$ 51,018
Primary government										
Net Investment in Capital										
Assets	\$ 35,960	\$ 34,607	\$ 33,170	\$ 38,290	\$ 38,719	\$ 37,839	\$ 38,053	\$ 46,225	\$ 48,947	\$ 48,795
Restricted	5,826	6,620	9,139	11,239	12,665	14,174	17,971	21,964	27,018	32,257
Unrestricted	30,942	34,662	34,402	31,800	32,862	35,544	38,431	44,785	46,272	50,781
Total governmental activities										
net position	\$ 72,728	\$ 75,889	\$ 76,711	\$ 81,329	\$ 84,246	\$ 87,557	\$ 94,455	\$ 112,974	\$ 122,237	\$ 131,833

CITY OF SOLANA BEACH

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General government	\$ 3,944	\$ 4,309	\$ 4,101	\$ 3,651	\$ 4,985	\$ 5,537	\$ 4,570	\$ 4,491	\$ 5,858	\$ 8,019
Public safety	9,162	9,628	10,540	11,051	12,630	13,117	13,906	11,414	13,129	14,419
Public works	5,438	5,487	5,944	5,937	4,888	4,666	5,412	5,377	5,643	6,907
Community development	1,378	1,745	1,755	1,482	1,586	1,507	1,505	1,261	1,519	2,070
Community services	628	1,122	731	1,178	1,220	1,193	1,218	919	976	1,047
Interest on long-term debt	398	389	382	368	363	356	346	385	369	356
Total Governmental Activities expenses	\$ 20,948	\$ 22,680	\$ 23,453	\$ 23,667	\$ 25,672	\$ 26,376	\$ 26,957	\$ 23,847	\$ 27,494	\$ 32,818
Business-Type Activities:										
Sanitation	\$ 3,569	\$ 1,602	\$ 2,100	\$ 4,205	\$ 4,221	\$ 3,891	\$ 4,308	\$ 5,020	\$ 7,887	\$ 5,288
Solana Energy Alliance Fund	-	-	391	5,211	4,350	3,841	(127)	19	2	1
Total Business-Type Activities Expenses	\$ 3,569	\$ 1,602	\$ 2,491	\$ 9,416	\$ 8,571	\$ 7,732	\$ 4,181	\$ 5,039	\$ 7,889	\$ 5,289
Total Primary Government Expenses	\$ 24,517	\$ 24,282	\$ 25,944	\$ 33,083	\$ 34,243	\$ 34,108	\$ 31,138	\$ 28,886	\$ 35,383	\$ 38,107
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ 194	\$ -	\$ 92	\$ 31	\$ 1,126	\$ 1,175	\$ 1,130	
Public safety	578	621	577	581	402	325	385	463	588	601
Public works	417	450	699	1,006	358	494	1,566	605	169	608
Community development	928	1,252	1,300	1,169	1,191	1,083	1,274	1,597	1,469	1,637
Community services	365	400	336	336	23	277	507	549	591	613
Operating Contributions:										
General government	-	-	-	-	-	-	(15)	-	-	-
Public safety	270	199	178	186	199	467	453	418	268	413
Public works	1,045	1,241	1,107	1,405	889	1,215	2,673	2,587	1,565	1,484
Community development	200	-	100	-	-	-	-	2	96	16
Community services	-	129	139	149	80	233	161	165	186	195
Capital Contributions and Grants:										
General government	-	-	-	-	-	-	(112)	-	-	-
Community development	-	-	-	-	-	-	-	8,466	167	11
Public safety	160	158	420	298	345	302	-	-	-	-
Total Governmental Activities Program Revenues	\$ 3,963	\$ 4,450	\$ 4,856	\$ 5,324	\$ 3,487	\$ 4,488	\$ 6,923	\$ 15,978	\$ 6,274	\$ 6,708
Business-Type Activities:										
Charges for services:										
Sanitation	\$ 5,152	\$ 5,255	\$ 5,416	\$ 5,592	\$ 5,588	\$ 5,676	\$ 5,817	\$ 5,847	\$ 5,737	\$ 5,726
Solana Energy Alliance Fund	-	-	494	5,202	4,178	3,567	1	1	-	-
Total Business-Type Activities Program Revenues	\$ 5,152	\$ 5,255	\$ 5,910	\$ 10,794	\$ 9,766	\$ 9,243	\$ 5,818	\$ 5,848	\$ 5,737	\$ 5,726
Total Primary Government Program Revenues	\$ 9,115	\$ 9,705	\$ 10,766	\$ 16,118	\$ 13,253	\$ 13,731	\$ 12,741	\$ 21,826	\$ 12,011	\$ 12,434
Net (Expense)/Revenue										
Governmental Activities	\$ (16,985)	\$ (18,230)	\$ (18,597)	\$ (18,343)	\$ (22,185)	\$ (21,888)	\$ (20,034)	\$ (7,869)	\$ (21,220)	\$ (26,110)
Business-Type Activities	1,583	3,653	3,419	1,378	1,195	1,511	1,637	809	(2,152)	437
Total primary Government Net Expense	\$ (15,402)	\$ (14,577)	\$ (15,178)	\$ (16,965)	\$ (20,990)	\$ (20,377)	\$ (18,397)	\$ (7,060)	\$ (23,372)	\$ (25,673)
General Revenues and Other Charges in Net Position										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 7,706	\$ 8,095	\$ 8,587	\$ 9,070	\$ 9,465	\$ 10,094	\$ 10,523	\$ 11,639	\$ 12,353	\$ 12,982
Sales taxes	3,255	3,128	3,191	3,503	3,292	3,690	4,413	5,846	9,470	9,348
Transient occupancy taxes	1,606	1,740	1,828	2,019	1,457	1,457	2,575	2,904	2,884	2,896
Franchise taxes	736	733	723	793	751	789	874	897	857	814
Motor Vehicle in Lieu - Unrestricted	2,798	2,869	3,170	3,547	3,620	3,746	3,880	2,053	2,194	2,321
Use of money and property	261	284	287	1,101	1,133	632	(400)	783	2,435	4,130
Other	736	786	722	976	3,586	3,121	3,343	1,019	1,745	1,972
Total Governmental Activities	\$ 17,098	\$ 17,635	\$ 18,508	\$ 21,009	\$ 23,304	\$ 23,529	\$ 25,208	\$ 25,141	\$ 31,938	\$ 34,463
Business-Type Activities:										
Use of money and property	\$ 115	\$ 89	\$ 82	\$ 557	\$ 423	\$ 125	\$ 35	\$ 150	\$ 561	\$ 602
Other	49	14	88	16	181	37	49	289	135	398
Total Business-Type Activities	\$ 164	\$ 103	\$ 170	\$ 573	\$ 604	\$ 162	\$ 84	\$ 439	\$ 696	\$ 1,000
Total Primary Government	\$ 17,262	\$ 17,738	\$ 18,678	\$ 21,582	\$ 23,908	\$ 23,691	\$ 25,292	\$ 25,580	\$ 32,634	\$ 35,463
Changes in Net Position										
Governmental Activities	\$ 113	\$ (595)	\$ (89)	\$ 2,666	\$ 1,119	\$ 1,641	\$ 5,174	\$ 17,272	\$ 10,718	\$ 8,353
Business-Type Activities	1,747	3,756	3,589	1,951	1,799	1,673	1,721	1,248	(1,456)	1,437
Total Primary Government	\$ 1,860	\$ 3,161	\$ 3,500	\$ 4,617	\$ 2,918	\$ 3,314	\$ 6,895	\$ 18,520	\$ 9,262	\$ 9,790

CITY OF SOLANA BEACH

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 7,471	\$ 20,164	\$ 72,579	\$ 23,402	\$ 52,665	\$ 54,212	\$ 136,395	\$ 41,589	\$ 41,024	\$ 1,808,044
Restricted	508,897	893,185	1,294,957	1,743,908	2,422,056	3,245,475	3,218,592	5,003,450	6,764,356	8,473,683
Committed	787,790	914,846	1,015,354	1,436,307	1,179,507	901,576	1,295,357	1,292,880	1,292,880	1,145,577
Assigned	5,520,890	5,690,381	5,805,890	6,041,593	6,349,702	6,206,689	6,241,345	6,786,980	6,786,980	9,721,212
Unassigned	6,200,244	6,805,201	7,385,736	4,588,069	5,450,148	7,138,002	9,289,801	10,055,355	13,464,544	13,096,685
Total General Fund	\$ 13,025,292	\$ 14,323,777	\$ 15,574,516	\$ 13,833,279	\$ 15,454,078	\$ 17,545,954	\$ 20,181,490	\$ 23,180,254	\$ 28,349,784	\$ 34,245,201
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 47,545	\$ 47,545	\$ 44,707	\$ 63,200
Restricted	5,316,698	5,726,668	7,844,224	9,494,837	10,242,525	10,928,273	14,752,364	16,960,567	21,641,962	25,555,319
Assigned	849,917	1,385,099	-	-	-	-	-	-	-	-
Unassigned	(184,544)	(336,475)	(234,689)	(112,596)	(58,138)	(464,267)	(227,092)	1,077,040	(111,321)	(186,252)
Total all other Governmental Funds	\$ 5,982,071	\$ 6,775,292	\$ 7,609,735	\$ 9,382,241	\$ 10,184,387	\$ 10,464,006	\$ 14,572,817	\$ 18,085,152	\$ 21,575,348	\$ 25,432,267

CITY OF SOLANA BEACH

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes and assessments	\$ 14,719,229	\$ 15,109,053	\$ 15,945,223	\$ 17,275,214	\$ 16,842,473	\$ 19,775,654	\$ 22,265,851	\$ 24,943,501	\$ 29,507,231	\$ 30,144,898
Licenses and permits	471,581	527,146	508,549	486,891	345,168	532,496	773,593	1,089,274	815,647	862,030
Intergovernmental	3,069,673	3,185,272	3,498,266	3,665,899	3,284,923	1,916,664	3,322,539	11,286,855	1,641,997	1,448,167
Charges for services	1,313,658	1,699,140	1,584,561	2,230,614	1,268,823	1,449,714	2,754,210	1,802,138	1,531,318	2,999,039
Use of money and property	261,466	283,828	286,867	1,100,795	1,132,930	631,813	(399,689)	783,458	2,435,455	3,097,774
Fines and forfeitures	502,921	495,885	479,933	502,249	359,703	244,331	261,932	408,220	528,722	517,129
Other	735,521	785,872	1,061,983	975,510	3,585,904	3,121,247	3,348,906	4,102,253	5,115,040	4,769,429
Total revenues	21,074,049	22,086,196	23,365,382	26,237,172	26,819,924	27,671,919	32,327,342	44,415,699	41,575,410	43,838,466
Expenditures:										
General government	3,500,443	3,777,819	3,820,029	4,191,376	4,705,339	5,032,268	5,598,530	7,061,076	7,309,390	7,626,488
Public safety	8,912,742	9,070,746	9,831,070	10,243,546	11,573,438	12,538,907	12,043,209	12,708,776	13,610,080	14,297,647
Public works	2,463,442	2,509,194	2,628,777	2,975,518	3,401,680	3,125,907	3,792,133	4,324,397	4,698,902	5,753,109
Community development	1,380,934	1,721,715	1,574,333	1,523,428	1,544,402	1,446,878	1,347,528	1,625,027	1,662,678	1,806,706
Community services	278,481	760,475	328,755	830,315	797,410	680,982	825,180	843,668	991,555	1,103,519
Capital outlay	2,190,316	1,473,835	2,417,383	5,763,230	1,692,966	1,800,676	1,430,880	10,752,411	4,212,404	2,790,344
Debt Service:										
Principal retirement	161,086	288,487	296,366	303,971	316,505	319,071	199,531	203,808	60,855	62,971
Interest	383,130	392,219	383,487	374,519	365,239	355,735	346,004	385,436	369,820	356,292
Total expenses	19,270,574	19,994,490	21,280,200	26,205,903	24,396,979	25,300,424	25,582,995	37,904,599	32,915,684	33,797,076
Excess (Deficiency) of Revenues Over (Under) Expenditures										
	1,803,475	2,091,706	2,085,182	31,269	2,422,945	2,371,495	6,744,347	6,511,100	8,659,726	10,041,390
Other financing sources (uses):										
Transfers in	743,400	1,576,800	997,300	2,636,370	799,915	353,500	2,992,483	5,093,101	4,120,375	3,566,501
Transfers out	(743,400)	(1,576,800)	(997,300)	(2,636,370)	(799,915)	(353,500)	(2,992,483)	(5,093,101)	(4,120,375)	(3,855,555)
Contributions to OPEB Trust Fund	(135,000)	-	-	-	-	-	-	-	-	-
Long-term debt issued	614,759	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	479,759	-	-	(289,054)						
Net change in fund balances / net position										
	\$ 2,283,234	\$ 2,091,706	\$ 2,085,182	\$ 31,269	\$ 2,422,945	\$ 2,371,495	\$ 6,744,347	\$ 6,511,100	\$ 8,659,726	\$ 9,752,336
Capital assets used in debt service calculation*										
	\$ 2,194,361	\$ 1,440,550	\$ 2,432,556	\$ 5,754,228	\$ 1,697,994	\$ 1,723,018	\$ 1,537,279	\$ 10,105,863	\$ 2,882,183	\$ 2,790,344
Debt service as a percentage of noncapital expenditures										
	3.2%	3.7%	3.6%	3.3%	3.0%	2.9%	2.3%	2.1%	1.4%	1.4%

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

CITY OF SOLANA BEACH

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

Fiscal Year	Residential Property	Commercial Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
2015	\$ 3,369,557	\$ 468,396	\$ 141,424	\$ 3,979,377	0.1779%	N/A	N/A
2016	3,568,242	487,490	145,778	4,201,511	0.1778%	N/A	N/A
2017	3,771,217	501,508	156,383	4,429,108	0.1779%	N/A	N/A
2018	4,001,491	564,824	158,421	4,724,736	0.1778%	N/A	N/A
2019	4,270,745	594,932	172,181	5,037,858	0.1778%	N/A	N/A
2020	4,502,927	618,256	166,573	5,287,755	0.1780%	N/A	N/A
2021	4,738,936	632,197	175,989	5,547,122	0.1780%	N/A	N/A
2022	4,929,359	642,174	(24,412)	5,547,122	0.1781%	N/A	N/A
2023	5,334,233	657,405	238,875	6,230,513	0.1780%	N/A	N/A
2024	5,643,413	751,584	256,761	6,651,758	0.1781%	N/A	N/A
2025	5,943,330	796,079	283,695	7,023,104	0.1781%	N/A	N/A

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

N/A - Data not available

Source: San Diego County Assessor 2015/16 - 2024/25 Combined Tax Rolls
HdL Coren & Cone.
City of Solana Beach Finance Department

CITY OF SOLANA BEACH

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

City's Share of 1% Levy Per Prop 13				
Fiscal Year	General Basic Tax Levy	Municipal Improvement District	Lighting District	Total City's Share of 1% Levy per Prop 13
2016	0.1602	0.0037	0.09600	0.1735
2017	0.1602	0.0037	0.09600	0.1735
2018	0.1602	0.0037	0.00955	0.1735
2019	0.1602	0.0037	0.00955	0.1735
2020	0.1602	0.0037	0.00955	0.1735
2021	0.1602	0.0037	0.00955	0.1735
2022	0.1602	0.0037	0.00955	0.1735
2023	0.1602	0.0037	0.00955	0.1735
2024	0.1602	0.0037	0.00955	0.1735
2025	0.1602	0.0037	0.00955	0.1735

Fiscal Year	Overlapping Rates						Overlapping Rates					Total Direct & Overlapping Tax Rate	
							Voter Approved (3)						
	San Diego County (1)	Carlsbad/ Oceanside/ Vista Projects	School Districts	Community College	Santa Fe Irrigation District (2)	Educational Revenue Augmentation	Solana Beach School District	Metropolitan Water District	Mira Costa Comm College	San Dieguito Prop Aa 11/6/2013 2013A A1			
2016	0.167550	0.0004	0.40281	0.10486	0.025340	0.12551	-	0.0035	-	0.0227	1.02622		
2017	0.167550	0.0004	0.40281	0.10486	0.025340	0.12551	-	0.0035	-	0.0228	1.02625		
2018	0.167490	0.0004	0.40285	0.10490	0.025330	0.12550	0.03093	0.0035	0.01443	0.0223	1.07115		
2019	0.167490	0.0004	0.40293	0.10490	0.025330	0.12550	0.02886	0.0035	0.01294	0.0230	1.06828		
2020	0.167490	0.0004	0.40293	0.10490	0.025330	0.12550	0.02800	0.0035	0.01299	0.0232	1.06767		
2021	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02688	0.0035	0.01373	0.0233	1.06738		
2022	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02653	0.0035	0.01339	0.0223	1.06575		
2023	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02506	0.0035	0.01357	0.0214	1.06356		
2024	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02346	0.0035	0.01164	0.0208	1.05938		
2025	0.167490	0.0004	0.40290	0.10490	0.025330	0.12550	0.02250	0.007	0.01148	0.0207	1.06164		

(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 2024/25 Annual Tax Increment Tables and HdL Coren and Cone.

CITY OF SOLANA BEACH

Principal Property Tax Payers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
For the Fiscal Year Ended June 30, 2025		
S B T C Holdings LLC (Pending Appeals on Parcels)	\$ 110,895,104	1.58%
Pacific Solana Beach Holdings LP	77,307,344	1.10%
SB Corporate Centre III-IV LLC (Pending Appeals on Parcels)	64,357,210	0.92%
Zephyr Solana LLC	58,875,247	0.84%
Solana Beach Self Storage Owner LP (Pending Appeals on Parcels)	50,459,400	0.72%
Sanyo Foods Corporation of America	37,884,122	0.54%
Solana Beach Run LLC	37,832,825	0.54%
E R P Operating LP	22,272,717	0.32%
Cedros Venture Fund I LLC	21,914,475	0.31%
Lavida Delmar Asscs LP	20,240,450	0.29%
 Total	 \$ 502,038,894	 7.15%
 For the Fiscal Year Ended June 30, 2016		
S B T C Holdings LLC (Pending Appeals on Parcels)	\$ 116,112,633	2.76%
Pacific Solana Beach Holdings LP	65,362,371	1.56%
SB Corporate Centre III-IV LLC (Pending	32,429,542	0.77%
Sanyo Foods Corporation of America (Pending	30,808,427	0.73%
Fenton Solana Highlands LLC (Pending Appeals on Parcels)	29,470,038	0.70%
Muller-Beachwalk LLC	20,670,000	0.49%
E R P Operating LP	18,845,748	0.45%
Lavida Delmar Associates LP	16,813,394	0.40%
Hankey Investment Company LP	14,447,010	0.34%
Solana Mar LLC	13,670,116	0.33%
 Total	 \$ 358,629,279	 8.54%

Source: HdL Coren & Cone and San Diego County Assessor 2015/16 & 2024/25 Combined Tax Rolls

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
2016	\$ 6,931,466	\$ 6,635,180	95.7%	\$ 80,163	\$ 6,715,343	96.9%
2017	7,300,293	7,017,400	96.1%	27,141	7,044,541	96.5%
2018	7,741,663	7,444,166	96.2%	33,622	7,477,788	96.6%
2019	8,232,844	7,949,648	96.6%	27,740	7,977,388	96.9%
2020	8,622,755	8,306,418	96.3%	36,401	8,342,819	96.8%
2021	9,074,415	8,652,200	95.3%	65,224	8,717,424	96.1%
2022	9,507,779	9,078,200	95.5%	70,616	9,148,816	96.2%
2023	10,371,116	10,237,578	98.7%	16,297	10,253,875	98.9%
2024	11,296,637	10,658,832	94.4%	258,986	10,917,818	96.6%
2025	11,787,499	11,387,891	96.6%	350,980	11,738,871	99.6%

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

CITY OF SOLANA BEACH

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Government Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Refunding Lease		Finance Purchase	Bonds and Direct Borrowing					
	ABAG	Bonds		Placements					
2016	\$ 940,600	\$ 5,500,000	\$ 1,271,372	\$ 10,339,405	\$ 18,051,377	4.05%	1,338		
2017	811,391	5,500,000	1,113,062	9,373,587	16,798,040	4.85%	1,242		
2018	685,559	5,500,000	943,496	19,146,912	26,275,967	3.10%	1,885		
2019	556,825	5,500,000	769,326	18,064,945	24,891,096	3.52%	1,786		
2020	420,291	5,500,000	590,421	17,449,133	23,959,845	3.66%	1,731		
2021	286,057	5,500,000	406,649	16,818,322	23,011,028	3.89%	1,664		
2022	144,423	5,500,000	349,819	16,262,766	22,257,008	4.04%	1,737		
2023	-	5,500,000	291,011	15,694,711	21,485,722	4.31%	1,681		
2024	-	5,500,000	230,155	15,104,156	20,834,311	5.36%	1,617		
2025	-	5,500,000	167,184	14,493,601	20,160,785	5.94%	1,553		

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

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

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

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

CITY OF SOLANA BEACH

Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

Fiscal Year 2024-25 Assessed Valuation : \$ 7,024,550,028

	Gross Bonded Debt Balance	Percent Applicable to City (1)	Net Bonded Debt
<u>Overlapping Tax & Assessment Debt</u>			
Metropolitan Water District	\$ 17,155,000	0.173%	\$ 29,678
Mira Costa Community College District	\$ 349,345,000	4.668%	\$ 16,307,425
San Dieguito Union High School District	\$ 392,195,000	7.712%	\$ 30,246,078
San Dieguito Union High School District Community Facilities District No. 95-1	\$ 23,130,000	0.555%	\$ 128,372
Solana Beach School District School Facilities Improvement District No. 2016-1	\$ 85,645,000	32.467%	\$ 27,806,362
City of Solana Beach 1915 Act Bonds	\$ 1,855,000	100.000%	\$ 1,855,000
Olivenhain Municipal Water District, Assessment District No. 96-1	\$ 2,820,000	1.338%	\$ 37,732
Total Overlapping Tax & Assessment Debt			<u>\$ 76,410,647</u>
<u>Direct & Overlapping General Fund Debt</u>			
San Diego County General Fund Obligations	\$ 351,065,000	0.948%	\$ 3,328,096
San Diego County Pension Obligations	\$ 140,370,000	0.948%	\$ 1,330,708
San Diego County Superintendent of Schools General Fund Obligations	\$ 5,125,000	0.948%	\$ 48,585
Mira Costa Community College District Certificates of Participation	\$ 48,020,000	4.668%	\$ 2,241,574
San Dieguito Union High School District Certificates of Participation	\$ 12,730,000	7.712%	\$ 981,738
Solana Beach School District General Fund Obligations	\$ 5,162,096	27.418%	\$ 1,415,343
City of Solana Beach Finance Purchase Obligation	\$ 167,183	100.000%	\$ 167,183
Total Direct & Overlapping General Fund Debt			<u>\$ 9,513,227</u>
<u>Direct Sales Tax Revenue Debt</u>			
San Diego Regional Transportation Commission Sales Tax Revenue Bonds	\$ 5,500,000	100.000%	\$ 5,500,000
Total Direct Sales Tax Revenue Debt			<u>\$ 5,500,000</u>
Overlapping Tax Increment Debt	\$ 1,764,200	100.000%	\$ 1,764,200
TOTAL DIRECT DEBT			\$ 5,667,183
TOTAL OVERLAPPING DEBT			\$ 87,520,891
COMBINED TOTAL DEBT			(2) \$ 93,188,074

Debt to Assessed Valuation Ratios :

Total Overlapping Tax & Assessment Debt	1.09%
Total Direct Debt (\$220,636)	0.08%
Combined Total Debt	1.33%

Redevelopment Incremental Valuation (\$293,509,608) Ratio:
Total Overlapping Tax Increment Debt 0.60%

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

Source: California Municipal Statistics, Inc.

CITY OF SOLANA BEACH

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

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 7,024,550
Debt limit (15% of assessed value)	1,053,683
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	\$ 1,053,683

Fiscal Year	Debt Limit	Total net debt Applicable to Limit		Legal Debt Margin	Legal Debt Margin Percentage of Debt Limit
			Limit		
2016	\$ 630,359	\$	-	\$ 630,359	100.00%
2017	664,464		-	664,464	100.00%
2018	708,810		-	708,810	100.00%
2019	755,767		-	755,767	100.00%
2020	793,275		-	793,275	100.00%
2021	832,192		-	832,192	100.00%
2022	861,939		-	861,939	100.00%
2023	934,577		-	934,577	100.00%
2024	997,965		-	997,965	100.00%
2025	1,053,683		-	1,053,683	100.00%

CITY OF SOLANA BEACH

**Pledged-Revenue Coverage
Last Ten Fiscal Years**

2011 ABAG Refunded Lease Revenue Bonds

Fiscal Year	Use of Money & Property	Lease/Rents	Less: Expenditures	Net Available Revenue
2016*	\$ -	\$ 153,283	\$ -	\$ 153,283
2017*	-	152,429	-	152,429
2018*	-	151,067	-	151,067
2019*	-	154,321	-	154,321
2020*	-	147,382	-	147,382
2021*	-	150,056	-	150,056
2022*	-	147,465	-	147,465
2023*	-	-	-	-
2024*	-	-	-	-
2025*	-	-	-	-

Fiscal Year	Debt Service		
	Principal	Interest	Coverage
2016*	\$ 123,400	\$ 29,883	1.00
2017*	126,800	25,629	1.00
2018*	129,800	21,267	1.00
2019*	137,600	16,721	1.00
2020*	135,300	12,082	1.00
2021*	142,700	7,356	1.00
2022*	145,000	2,465	1.00
2023*	-	-	0.00
2024*	-	-	0.00
2025*	-	-	0.00

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

Expenditures do not include interest, depreciation, or amortization

* 2002 ABAG Lease Revenue Bonds

CITY OF SOLANA BEACH

Demographic and Economic Statistics Last Ten Calendar Years

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2015	13,494	\$ 778,568	\$ 57,697	4.8%
2016	13,527	815,210	60,265	4.3%
2017	13,938	830,408	59,579	1.7%
2018	13,933	875,833	62,860	1.7%
2019	13,838	873,757	63,142	1.7%
2020	13,827	894,002	64,656	5.1%
2021	12,812	899,448	70,204	2.6%
2022	12,784	925,044	72,360	1.8%
2023	12,887	1,116,234	86,617	2.0%
2024	12,986	1,197,612	92,223	2.3%

Sources: HdL Coren & Cone report prepared on 11/21/25

CITY OF SOLANA BEACH

25 MAJOR EMPLOYERS - SAN DIEGO COUNTY AS OF 2025

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

Source:

State of California- Employee Development Department- Major Employers in San Diego for 2025

Categories

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

CITY OF SOLANA BEACH
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
City Council	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
City Clerk	3.10	3.10	3.10	3.10	3.23	3.23	3.48	3.23	3.23	3.23
City Manager	2.05	1.80	1.90	1.90	2.48	2.48	2.58	2.58	2.58	2.58
Legal Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Finance	3.55	3.55	3.45	3.05	3.30	3.70	3.35	3.35	3.90	4.25
Risk Mgt - Ins & Workers Comp	-	-	-	-	1.20	1.20	1.20	1.20	1.35	1.35
Personnel/Human Resources	1.00	1.15	0.95	0.95	0.95	0.95	1.20	1.20	2.10	2.10
Info/Communication Systems	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	2.50	2.50
Community Development	6.00	5.80	5.80	5.80	6.00	7.00	6.00	6.00	7.00	7.00
Public Safety										
Fire	19.95	19.95	20.20	20.20	20.20	20.20	20.20	20.20	19.20	19.2
Code Enforcement	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Marine Safety	9.49	9.49	9.29	9.29	9.71	9.71	9.71	9.71	10.13	12.13
Junior Lifeguards	3.53	4.03	4.23	4.23	4.7	3.98	3.93	3.93	3.93	3.93
Public Works										
Engineering	2.13	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73
Environmental/Flood Control	1.10	1.05	1.05	1.05	1.05	1.05	1.20	1.20	1.35	1.35
Street Maintenance	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.35	2.35
Park Maintenance	1.35	1.35	1.35	1.35	1.35	1.25	1.35	1.35	1.00	1.00
Recreation & Community Services										
Community Services	0.95	0.90	0.90	0.65	0.90	0.65	0.85	0.85	1.10	1.10
Recreation	2.48	2.43	2.43	2.38	2.43	2.33	2.50	2.45	2.45	2.45
Sanitation	3.22	3.12	3.37	3.37	3.37	3.37	3.37	3.37	4.84	4.84
Improvement Districts	0.90	0.90	0.90	0.90	0.90	0.90	0.95	0.95	1.70	1.70
Redevelopment Agency	0.90	1.10	0.80	0.80	0.80	0.14	0.24	0.24	0.12	0.12
Solana Energy Alliance*	-	-	-	0.75	0.75	0.75	-	-	-	-
Total Personnel	67.90	68.65	68.65	68.70	72.25	71.82	71.54	71.24	75.81	78.16

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

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

Source: City of Solana Beach's Annual Budget

CITY OF SOLANA BEACH

Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Community development										
Number of:										
Business Certificates (A)	2,068	2,007	2,055	2,345	2,677	2,677	1,608	1,853	1,859	1,742
Plan checks (B)	304	284	319	319	399	399	483	699	899	563
Code violations (C)	1,240	1,124	2,513	2,656	8	-	155	177	246°	166
Parking Citations	N/A	1,892	3,873							
Police (Calendar basis)										
Number of calls for service (D) (E):										
Priority 1	13	7	11	9	2	9	12	13	16	16
Priority 2	437	343	470	209	159	207	281	233	210	241
Priority 3	1,740	1,141	1,825	167	117	143	160	154	136	173
Priority 4	1,110	826	1,181	1,154	1,109	1,337	1,478	1,301	1,286	1,285
Priority 5	N/A	N/A	N/A	247	226	337	345	274	258	321
Priority 6	N/A	N/A	N/A	147	287	212	164	163	148	121
Priority 7	N/A	N/A	N/A	703	619	832	831	834	766	764
Priority 8	N/A	N/A	N/A	-	-	-	-	-	-	-
Priority 9	N/A	N/A	N/A	-	-	-	-	-	-	-
FBI Index Crimes	240	173	227	139	117	231	246	219	250	284
Fire										
Emergency Responses	1,810	1,883	1,859	1,792	1,792	1,495	1,569	1,469	1,884	2,714
Training Hours	5,997	4,696	4,687	6,350	6,350	6,375	7,053	6,374	6,990	7,683
Plan Checks & Project Reviews	380	390	375	375	375	436	452	490	646	597
Public works										
Miles of:										
Street resurfacing/repair	5.3*	1.7*	2	3.8	1.0	0.8	1.1	5.3	5.3	5.3
Street sweeping	900*	900*	504	504	504	504	504	504	504	504
Number of:										
Street signal maintained	192	192	192	192	192	192	192	192	192	192
Trees pruned per year	40	500	274	280	280	280	280	280	290	290
Recreation & community services										
Number of enrollees:										
Day camp (Calendar basis)	266	315	322	315	312	290	303	294	301	308
Special events (attendees)	7,800	8,300	7,400	7,700	6,500	2,200	9,350	5,300	9,100	8,700

N/A - Data not available

(A) - Includes new & renewal licenses

(B) - Excludes temporary plan checks.

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

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

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

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

Sources: Various city departments.

* Street Repair in Miles

** Street repair in Square Feet (SF)

CITY OF SOLANA BEACH
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Code enforcement vehicles	2	2	2	2	2	2	2	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Engines	3	3	3	2	2	2	2	2	2	2
Fire Ladder Truck	1	1	1	1	1	1	1	1	1	1
Other vehicles	2	2	2	3	3	3	3	3	3	2
Public works										
Streets (miles)	42	42	42	42	42	42	42	42	42	42
Street lights (city-owned)	527	527	525	525	525	525	525	525	525	525
Traffic signals	16	16	16	16	16	16	16	16	16	16
Public works vehicles	11	12	8	8	8	8	8	8	9	9
Public works Corporation Yard	1	1	1	1	1	1	1	1	1	1
Recreation & community service										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	3	3	2	2	2	2	2	2	2	2
Vehicles	1	1	1	1	1	1	1	1	1	1
Marine Safety										
Lifeguard Stations (Permanent)*	3	6	6	3	3	3	3	3	3	3
Lifeguard Stations (Temporary)	N/A	N/A	N/A	3	4	4	4	4	4	4
Vehicles	4	5	5	5	5	5	5	4	4	4

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

Sources: Various city departments.

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

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