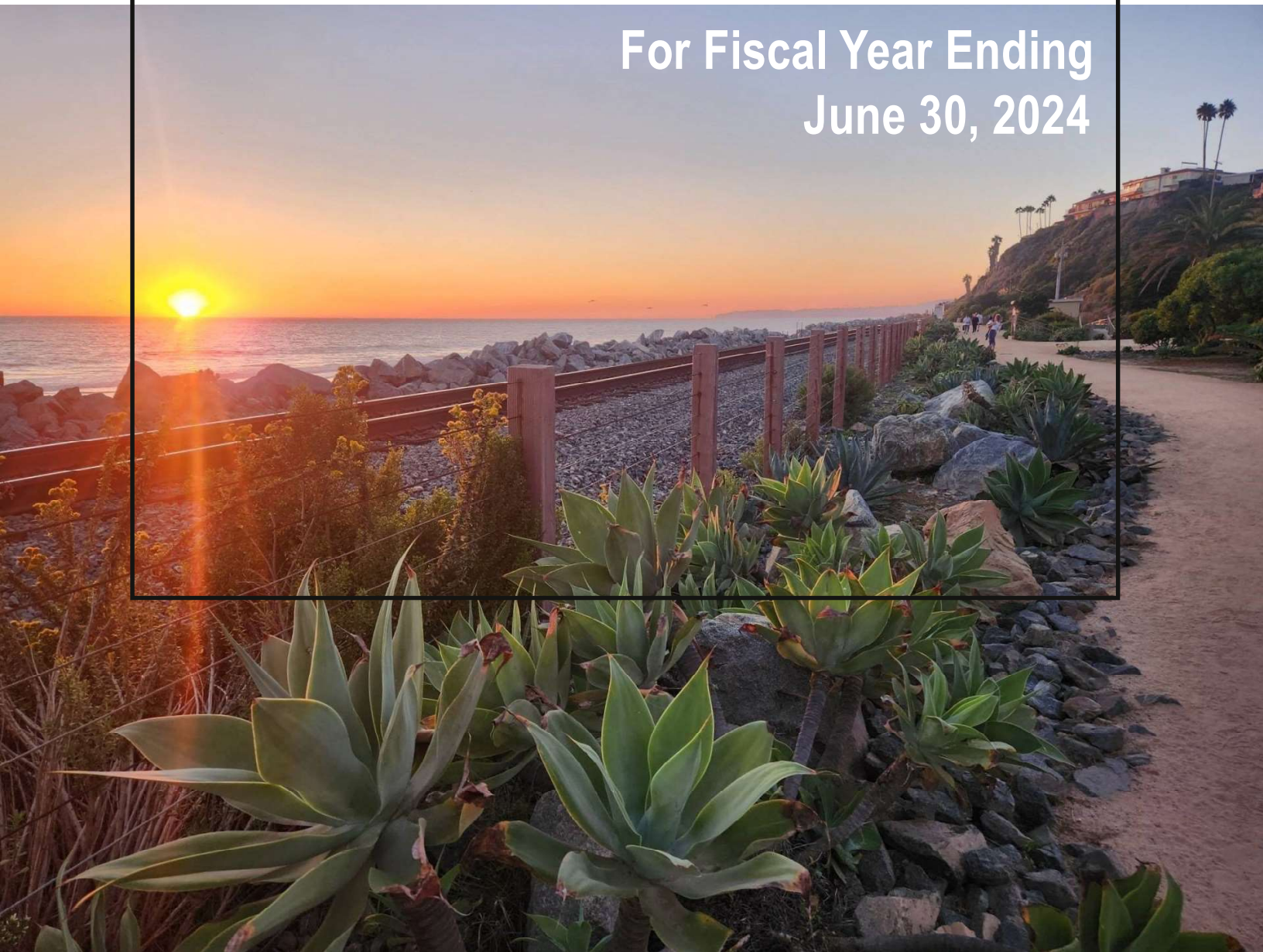




City of San Clemente

Annual Comprehensive Financial Report

For Fiscal Year Ending
June 30, 2024



CITY OF SAN CLEMENTE, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



Prepared By:

Finance and Administrative Services

CITY OF SAN CLEMENTE
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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INTRODUCTORY SECTION



City of San Clemente

910 Calle Negocio
San Clemente CA 92673
Phone: 949-361-8200

December 20, 2024

Honorable Mayor, Members of the City Council and Citizens of the City of San Clemente:

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of San Clemente (the City) for the fiscal year ended June 30, 2024. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which follows the independent auditor's report, and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of San Clemente

The City of San Clemente, incorporated on February 28, 1928, is located along the California coast, at the southern tip of Orange County, about 60 miles south of Los Angeles and 60 miles north of San Diego. The City occupies a land area of 18.45 square miles.

The City operates under a council-manager form of government, with a five-member council with two members elected by District every other year with overlapping four year terms, with an elected

Mayor. The mayor is elected by the citizens every two years with a two year term and is the presiding officer of the Council. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, City Clerk, and City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing day-to-day City operations, and appointing the heads of the various departments. The Council is elected on a non-partisan basis.

The City provides a full range of services that include general government, public safety (police, fire, and marine safety), disaster preparedness, building inspection, construction and maintenance of streets, economic development, beaches, parks and recreation, water, sewer, storm drain, clean ocean and golf. In addition to general City activities, the Council is financially accountable for the San Clemente Public Financing Authority and the Successor Agency to the San Clemente Redevelopment Agency. These entities are included as an integral part of the City's financial statements. Additional information on these legally separate entities can be found in Note 1 in the Notes to the Financial Statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager presents the proposed budget to the City Council for review prior to the beginning of each fiscal year. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may make both transfers of appropriations within a department and transfers of appropriations between departments.

Financial Overview and Policies

Local economy. The City, with a population of 62,295, is located at the southern tip of Orange County, and borders the County of San Diego. Its mild, temperate climate and unsurpassed beaches attract more than 2 million visitors annually.

Property taxes and sales taxes are the main sources of revenue for the General Fund. The City experienced a period of rapid growth during the development of Talega planned community annexed into the City from the County of Orange, which reached build-out in FY 2015. Additional growth was realized during the development of Sea Summit, the City's last undeveloped area, which was completed in the last few years. The residential portion of the development is complete with more than 300 housing units. The retail portion (Outlets at San Clemente) is open, however additional future phases are planned, including additional stores and hotel development. These developments increased property taxes significantly during the last ten years. This revenue growth allowed the City to maintain a strong financial base with a mix of properties in the City. The City has a strong residential base, with a smaller retail and industrial property mix. The City's trail system, beaches, and outlet shopping attracts visitors and is anticipated to grow sales tax revenues into the future.

Property and Sales tax are the main revenue sources for the General Fund. During the last year property taxes grew and remained a strong contributor to the General Fund, while sales taxes were



flat. Overall, the City of San Clemente finances are stable, however the City's operating position has been stagnant as growth in revenues have only kept pace with additional costs for public safety, sand replenishment, maintenance and other community needs. The City maintains its focus on the future through the following processes:

Long-term financial planning. The City prepares an annual financial plan, with results presented to the City Council for review and consideration around February. The plan is a thought-out analysis of issues that affect the finances of the City of San Clemente. The Long-Term Financial Plan (the "LTFP") is broad in scope and includes analysis of various items, including a five-year financial forecast, trends history, reserves, financial policies, capital project funding, and other strategic issues. The financial forecast provides a frame of reference for evaluating the City's financial condition on an on-going basis to assist with decision making. The forecast is developed using a baseline environment that projects revenues and expenditures based on key economic indicators, local growth patterns, and the existing level of services provided by the City.

The LTFP guidelines and other applicable policies are incorporated in the budget process. Policy changes with fiscal impacts are incorporated into the budget based on the final LTFP and through decision packages presented with the budget. Financial policy requires the City adopt a balanced operating position with budgeted revenues sufficient to support operating expenditures. Any one-time revenues received are reviewed and used to fund one-time costs or build reserves.

The City of San Clemente received the GFOA's Distinguished Budget Presentation Award for its annual budget document for Fiscal Year (FY) 2023-24 and is anticipated to earn this budget award for the biennial FY 2025-26 budget. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Capital planning. Major capital projects are addressed through the LTFP to address any substantial cost impacts and proposed through the budget, to assure funds are available not only for the construction of facilities, but also available to maintain and operate these facilities in the future.

The most notable projects completed in FY 2024 are City Hall Council Chambers, pickleball courts, lighting improvement and enhancements, playground improvements, and various street projects. Street projects include multiple streets with the largest projects related to alleys in various areas throughout the City. Utilities capital projects completed some projects at the Water Reclamation Plant including Sluice gates and the replacement of a digester gas flare. Other projects completed include water lines and storm drain improvements.

Additionally, certain City operations were consolidated at a single location in the last few years, with Administrative Services, Community Development, Engineering and Police services at the same location. In conjunction. Projects continue to be completed like the Council chambers. However certain additional projects continue to be built at this location to improve future functionality and needs. Some projects include fencing and an emergency generator.

Capital projects underway at the end of the fiscal year include a variety of street related projects and a land stabilization project.

Priorities for the future. The City Council's priorities for the future include the following:

- **General Plan** – The City continues the implementation of various elements of the General Plan which sets comprehensive, long-term goals and policies for achieving San Clemente's vision. The Strategic Implementation Plan (SIP) prioritization and update accompanies the annual Long Term Financial Plan (LTFP). Some ongoing or recently completed implementation tasks include: a Streamlining Ordinance to simplify development processes; development of the Implementation Plan for the City's Local Coastal Program; several Specific Plans were updated for consistency with the General Plan; and the continued work on the Housing Action Plan.
- **Utilities Cost-of-Service Study** – The City implemented a sewer cost-of-service study which was completed during the year and approved by City Council during the year. The Study prepared rates for a five-year period with rates to fully recover costs for the City's sewer system operations. The sewer cost of service rates modified rates with future increases to be implemented in January during the rate implementation period. A water rate study will be done to review existing rates and rate changes in the next year.
- **Environmental Stewardship** – The City is a community that cares for the environment. The City is addressing the environment through cost actions despite the expiration of the Clean Ocean fee to address certain water quality issues and runoff.

The Clean Ocean fee was in place since 2003 and has been renewed three times. The fee expired and remaining funding from this fee and a General Fund subsidy is continuing to prevent runoff contaminates, fund inspections, perform education outreach, and complete water quality monitoring. Funding options to meet the needs of the community are being considered. Additionally, a portion of operations related to street sweeping is anticipated to recovered through refuse charges in Solid Waste agreement to prevent sediment and litter from flowing the Ocean lowering water quality.



- **Coastal Resiliency** – Shoreline erosion and the loss of the sandy beach make sand replenishment and retention a City priority. The City has been working with Federal and State agencies for two decades to develop and implement a 50-year beach sand restoration project, centered on the City Pier area. In summer 2023, a certified CEQA document cleared the way for the start of the long-awaited project to move toward construction. Subsequently, a temporary dredge pipeline was installed in anticipation of sand placement activities planned to begin in mid-December 2023. The USACE contractor utilizes a hopper dredge to deliver approximately 10,000 cubic yards a day to the City during the active construction phase which from offshore borrow sites. The City will receive approximately 200,000 cubic yards of sand every 5 years creating a new beach area of roughly 3,700 feet long by 50 feet wide.

Although the federal beach sand project focuses on the beach area between Linda Lane and T Street, sand replenishment is a critical concern for all 5 miles of City beaches. As such, the City Coastal Administrator (3 year contract) started in FY 2024 to support and actively lead a

comprehensive, citywide coastal resiliency program focused on public beach restoration and sand retention projects. The City's coastal resiliency strategy includes establishment of a regional coastal resiliency group and participation in the SANDAG Oceanside Littoral Cell Task Force.

In the first year, the Coastal Administrator re-established the City's shoreline monitoring program, implemented an emergency opportunistic sand project at North Beach placing 37,000 cubic yards of sand, managed the first phase of the USACE project placing 200,000 cubic yards of sand around the City's pier, enabled City participation in the SANDAG Regional Beach Sand Project III, obtained grant funding to locate and test additional offshore sand resources, and secured the first of four regulatory agency permits needed to support the City's SCoup program for 10 years. On an ongoing basis, the Coastal Administrator participates in planning efforts for regional sand replenishment projects with regional resiliency partners including Dana Point, OCTA, the County of Orange, State Parks, Camp Pendleton, UCI, regulatory agencies and other stakeholders on an ongoing basis and applies for grants to support beach building and related coastal resiliency efforts in the City.

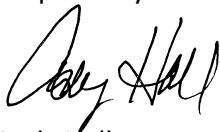
- **Quality of Life** – The City, like most other cities, is affected by decisions at the State, County and other levels. Homeless population increases and other law changes impact the City's environment. Housing affordability worsened with the cost of housing increasing due to cost increases, higher interest rates, and real estate costs. These factors continue to require actions taken to assist individuals. The City is working to provide resources, contacts and assistance and working with other County and State resources and to allocate funds to address some of these concerns with the goal to improve the quality of life for all citizens.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Clemente for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the eighteenth consecutive year the City received this prestigious award. The City received this award for publishing an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. This award is valid for a period of one year only. We believe that our current ACFR continues to meet the GFOA requirements. The City will submit the ACFR to GFOA again this year.

Preparation of this report is not possible without the efficient and dedicated services of the entire staff of the Finance and Administrative Services Department. I would like to express my appreciation to all members of the department who assisted in its preparation. We would also like to thank the Mayor and City Council for its unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Andy Hall
City Manager

CITY OF SAN CLEMENTE

PRINCIPAL OFFICIALS

CITY COUNCIL

Victor Cabral, Mayor
Mark Enmeier, Mayor Pro Tem
Chris Duncan
Steve Knoblock
Rick Loeffler

PLANNING COMMISSION

M. Steven Camp
Cameron Cosgrove
Barton Crandell
Brent Davis
Gary McCaughan
Scott McKhann
Karen Prescott-Loeffler

PARKS AND RECREATION COMMISSION

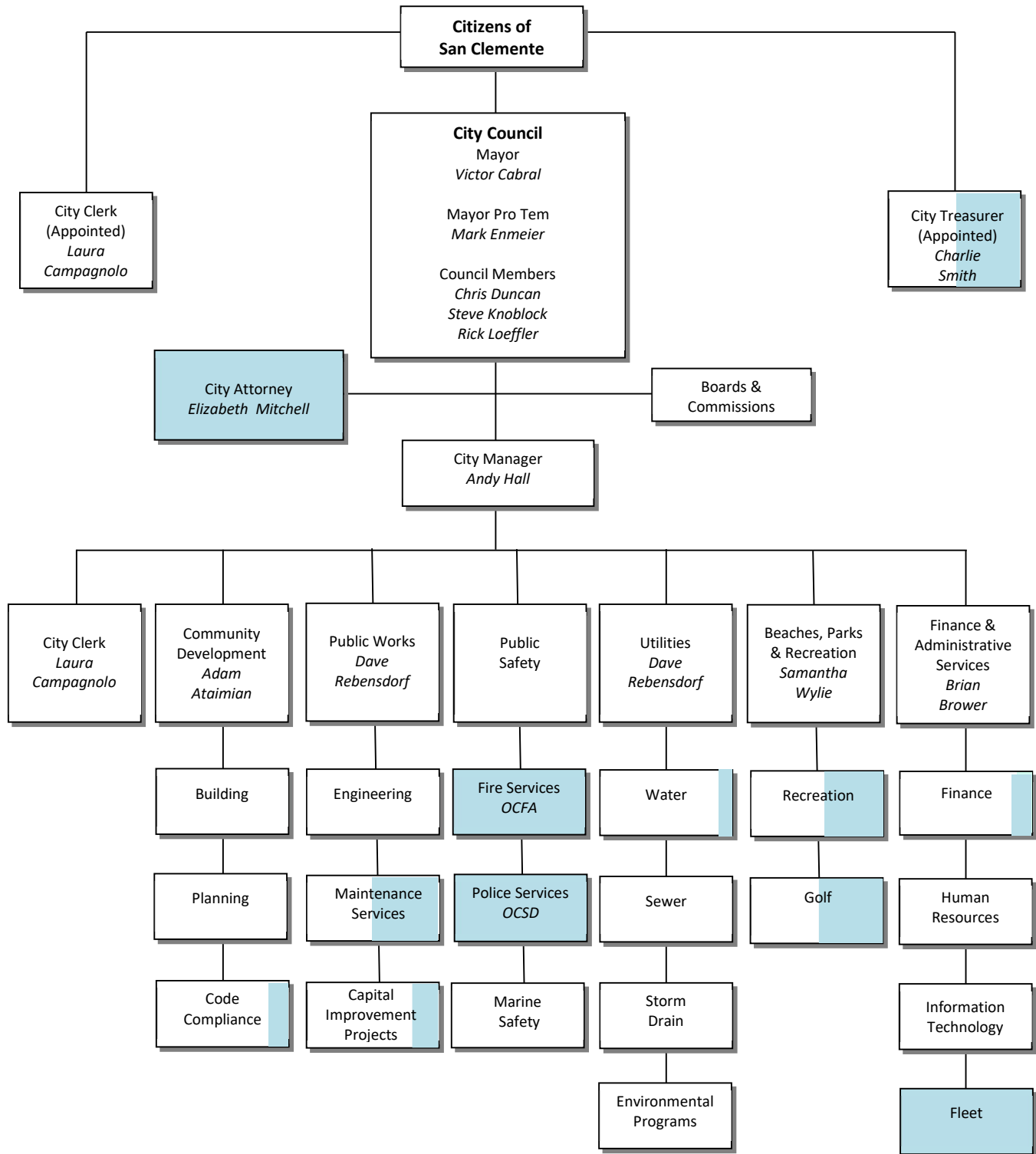
Shauna Garcia
Shari Grace
Thor Johnson
Teddy Kahn
Edward Kweskin
Alyssa McCanne
Amelia Mae-Weinstein

CITY STAFF

Andy Hall, City Manager

Charlie Smith, City Treasurer
Laura Campagnolo, City Clerk
Elizabeth Mitchell, City Attorney
Dave Rebensdorf, City Engineer/Public Works Director/Utilities Director
Samantha Wylie, Beaches, Parks & Recreation Director
Adam Atamian, Community Development Director
Captain Jay Christian, Chief of Police Services
Cheyne Maule, Division Fire Chief

San Clemente Organization Chart



 Shading indicates contracted services



Government Finance Officers Association

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

Presented to

**City of San Clemente
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of San Clemente, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Clemente, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council
City of San Clemente, California

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 for the General Fund and Transit Fund, and required pension and other postemployment benefits schedules, as listed on the table of contents, 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.



To the Honorable Mayor and Members of the City Council
City of San Clemente, California

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 accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 13, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Irvine, California
December 13, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of San Clemente, 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 (FY) ended June 30, 2024 and June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal beginning on page 11 and the City's financial statements, which begin on page 35.

FINANCIAL HIGHLIGHTS

- The City's net position decreased \$3.1 million or 0.6% to \$489.9 million as a result of operations
- Net position totals \$287.1 million for governmental and \$202.8 for business-type funds.
- The total program revenues and general revenues were \$134.6 million.
- The net expense of all governmental activities was \$70,387,066. The net expense of all business activities was \$3,078,285.
- During the year, the City's governmental fund expenditures exceeded revenues by \$1.5 million.
- The General Fund reported a net change in fund balance of \$3.3 million.
- For the General Fund, actual resources were higher than the final budget by \$2.2 million and actual expenditures were \$16.6 million less than final budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of San Clemente's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and required information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of San Clemente's finances, in a manner similar to a private-sector business. These government-wide financial statement can be found starting on page 35 of this report.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the City include general government, public safety (police and fire), public works, community development, and beaches, parks and recreation. Business-type activities include water, sewer and storm drain, the clean ocean, solid waste management, and golf course funds.

The government-wide financial statements include not only the City of San Clemente itself (known as the primary government), but also all legal entities for which the City is financially accountable. Accordingly, the financial information for the Successor Agency of the San Clemente Redevelopment Agency (RDA) and the

San Clemente Public Financing Authority, which is currently inactive, are included as an integral part of the City's financial statements and reported as blended component units.

Fund Financial Statements

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

Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. These reconciliations can be found on pages 41 and 45, immediately following the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

Proprietary Funds are Enterprise and Internal Service funds. The City uses an Enterprise Fund to account for its Water, Sewer, Storm Drain, Clean Ocean, Solid Waste and Golf Operations. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses Internal Service Funds to allocate central mail, reprographic services, communications, fleet maintenance and replacements, information technology, liability, medical and workers' compensation insurance costs.

The proprietary fund statements provide information for the Water, Sewer, Storm Drain, Clean Ocean, Solid Waste, Golf and the Internal Service funds. All of the Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary Funds are not reflected in the government-wide and primary governmental fund financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary Funds are reported in the Financial Section.

Notes to the Financial Statements

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements and accompanying notes, the report presents required supplementary information concerning the City's progress in funding its pension benefits to employees, OPEB benefits to its employees, and information on the budget to actual comparisons for major funds.

The other supplementary information provides combining statements that were referred to earlier in connection with the non-major governmental funds, the non-major proprietary funds and the Internal Service funds. The inclusion of the Statistical Section provides useful historical trend data on the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summaries of net position and of changes in net position are presented for the fiscal years ended June 30, 2024 and June 30, 2023.

Table 1
Net Position
(in millions-rounded)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 116.3	\$ 117.6	\$ 70.5	\$ 68.1	\$ 186.8	\$ 185.8
Capital assets, net	<u>216.4</u>	<u>213.3</u>	<u>156.9</u>	<u>159.9</u>	<u>373.2</u>	<u>373.2</u>
Total assets	332.7	330.9	227.4	228.0	560.0	559.0
Deferred outflows of resources	14.4	19.0	2.7	3.2	17.1	22.2
Current liabilities	9.7	11.2	6.3	4.9	16.0	18.2
Long-term liabilities	<u>41.2</u>	<u>44.3</u>	<u>20.2</u>	<u>19.6</u>	<u>61.4</u>	<u>63.9</u>
Total liabilities	50.9	55.5	26.5	26.6	77.4	82.1
Deferred inflow of resources	9.0	5.5	0.8	0.6	9.8	6.1
Net position:						
Net investment in capital assets	216.0	212.6	148.0	150.5	364.0	363.1
Restricted	41.0	41.1	4.0	6.2	45.0	47.4
Unrestricted	<u>30.1</u>	<u>35.1</u>	<u>50.8</u>	<u>47.4</u>	<u>80.9</u>	<u>82.5</u>
Total Net Position	<u>\$ 287.9</u>	<u>\$ 288.8</u>	<u>\$ 202.8</u>	<u>\$ 204.1</u>	<u>\$ 489.9</u>	<u>\$ 493.0</u>

City assets and deferred outflows exceeded liabilities and deferred inflows by \$489.9 million at June 30, 2024 as compared to \$493.0 million at June 30, 2023. The City's net position decreased by \$3.1 million from the prior fiscal year.

The largest portion of the City's net position (74 percent) is its net investment in capital assets (i.e., land buildings, machinery, equipment and infrastructure less any related debt used to acquire those assets that are still outstanding). Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. The City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Total net investment in capital assets (net position) increased \$0.9 million due primarily to principal debt payments.

The restricted portion of the City's net position (9 percent) represents resources that are subject to external restrictions on how they may be used. These restricted net position decreased \$2.4 million due to amounts restricted for capital construction and activities, primarily from the use of water acreage and sewer connection restricted amounts from capital project including recycled water expansion projects.

The unrestricted net position balance of \$80.9 million can be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$50.8 million is held by the business-type activities (with amounts set-aside for capital replacement) and \$30.1 million by the governmental activities. This amount decreased by \$1.6 million from the prior year. Business-type net position increased \$3.4 million due to rate changes, higher interest revenues exceeding cost impacts to water and other related costs while funds are accumulated for capital replacement. Governmental unrestricted net position decreased \$5.0 million as a result

of public safety contract increases with the County and impacts from the 2021 stock market on pension costs from investment returns in CalPERS.

A condensed summary of activities follows that total net position decreased by \$0.9 million during the year.

Table 2
Summary of Activities
(in millions - rounded)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues:						
Charges for services	\$ 12.7	\$ 12.5	\$ 40.4	\$ 39.1	\$ 53.1	\$ 51.6
Operating grants/contrib.	9.0	11.5	0.8	0.3	9.8	11.8
Capital grants/contrib.	0.5	0.8	0.8	3.7	1.3	4.5
General revenues:						
Property taxes	44.4	42.4	-	-	44.4	42.4
Sales taxes	12.9	12.6	-	-	12.9	12.6
Other taxes and fees	7.2	7.5	-	-	7.2	7.5
Other, including investment	<u>3.2</u>	<u>1.0</u>	<u>2.7</u>	<u>0.6</u>	<u>5.9</u>	<u>1.6</u>
Total revenues	89.9	88.3	44.7	43.7	134.6	132.0
Expenses:						
General government	9.0	9.3	-	-	9.0	9.3
Public safety	37.0	31.9	-	-	37.0	31.9
Public works	28.0	28.5	-	-	28.0	28.5
Community development	7.1	6.9	-	-	7.1	6.9
Beaches, parks & recreation	11.5	10.9	-	-	11.5	10.9
Water	-	-	25.6	21.3	25.6	21.3
Sewer	-	-	14.9	18.3	14.9	18.3
Golf	-	-	2.9	2.8	2.9	2.8
Clean Ocean	-	-	1.4	1.3	1.4	1.3
Solid Waste	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>
Total expenses	92.6	87.5	45.1	43.9	137.7	131.4
Net position change						
before transfers	(2.7)	0.8	(0.4)	(0.2)	(3.1)	0.6
Transfers	<u>0.9</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>0.9</u>	<u>-</u>	<u>-</u>
Change in net position	(1.8)	(0.1)	(1.3)	0.7	(3.1)	0.6
Net position—July 1, as restated	<u>288.9</u>	<u>289.0</u>	<u>204.1</u>	<u>203.4</u>	<u>493.0</u>	<u>492.4</u>
Net position—June 30	<u>\$ 287.1</u>	<u>\$ 288.9</u>	<u>\$ 202.8</u>	<u>\$ 204.1</u>	<u>\$ 489.9</u>	<u>\$ 493.0</u>

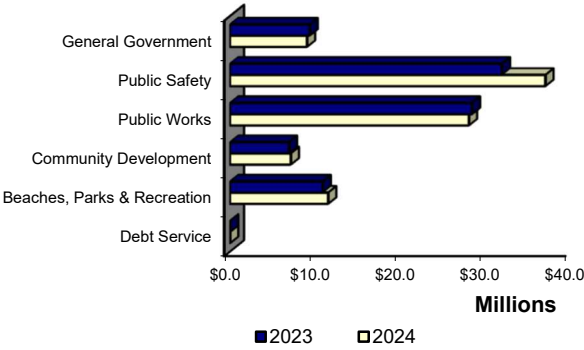
Governmental-type activities

The City's governmental activities net position decreased \$1.8 million as compared to a decrease of \$0.1 million in the prior year as revenues increased, however costs outpaced revenues due to impacts from pension negative returns in 2021 which impacted total public safety costs. Revenues in FY 2024 increase to \$89.9 million compared to \$88.3 million in FY 2023. Revenue increases from the prior year were mostly in property taxes and interest earnings due to higher interest rates. Property taxes increased \$2.0 million from the prior year driven by higher values and property sales resulting in property transfer taxes. Sales taxes were in line with the prior year and rates earned on the investment portfolio increased from 1% last year to 4.5% in FY 2024.

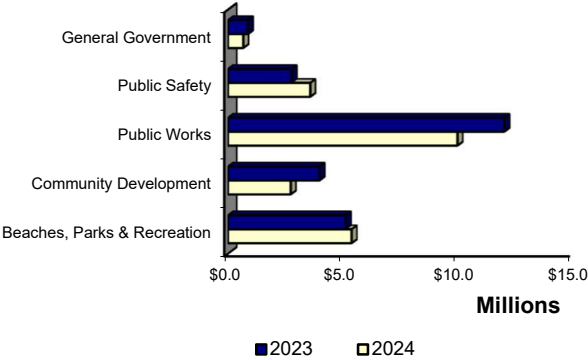
Expenses increased by \$5.1 million from FY 2023 and were \$2.7 million more than revenues in the current year. The expense change is the result of \$4 million of additional pension costs due to negative market returns at CalPERS impacts to public safety for past employees which impacted current year costs. Other department

costs were generally comparable to the prior year costs, with the largest increase in beaches parks and recreation due to higher costs related to recreation programs partially due to less staffing vacancies and public works with maintenance related costs.

Expenses – Governmental Activities



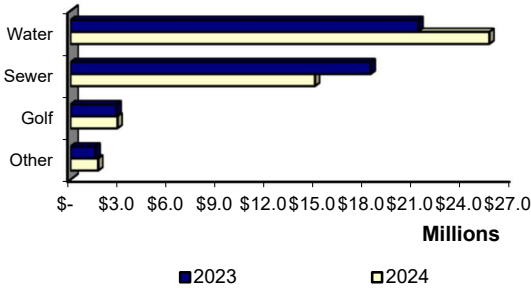
Program Revenues – Governmental Activities



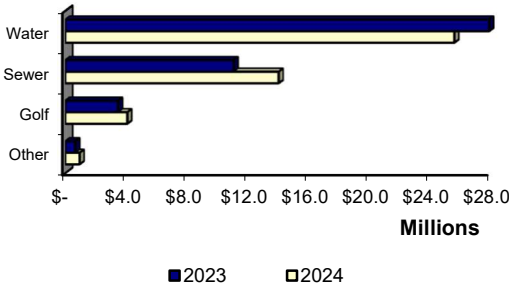
Business-type activities

Business-type activities net position decreased by \$1.3 million as compared to an increase of \$0.7 million in the previous year. Revenue changes included charges for services increasing \$1.3 million, based on a sewer rate study completed and implemented, a decrease in capital grants due to a prior year one-time capital grant (down \$2.9 million), and an increase in investment income due to a higher interest rate environment. Total expenses were higher with water costs increasing due to maintenance and purchased water and sewer costs decreasing due to maintenance costs in the prior year and existing vacant positions.

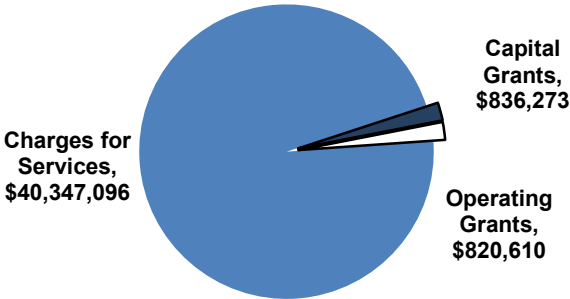
Expenses – Business-type activities



Program Revenues – Business-type activities



Revenues by Source – Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

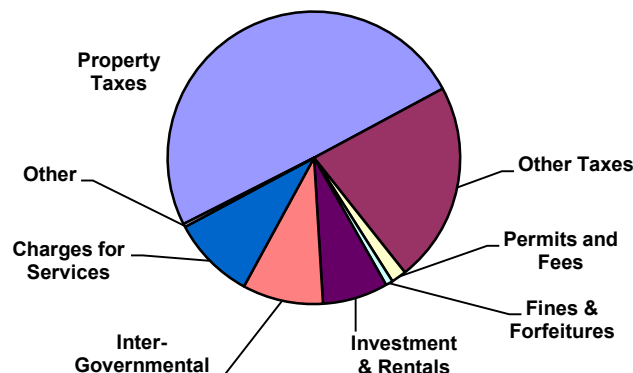
The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's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

The City's governmental funds reported ending fund balances of \$85.5 million. Unassigned fund balance, which is available for spending at the City's discretion, constitutes \$3.2 million. The remainder of fund balance is not available for new spending because it is: 1) in a non-spendable form such as loans receivable (\$0.6 million), 2) restricted based on legislation or under agreements with external parties (\$39.2 million), 3) committed based on City Council action (\$20.2 million), or 4) assigned by a Council appointed designee for specific purposes (\$22.3 million). Governmental fund balances, in total, decreased by \$1.5 million during the fiscal year, mostly due to the Gas Tax Fund.

Governmental funds, in total, had \$89.7 million of revenues and taxes represented 72% of the revenues. The change from the prior year amount of \$88.1 million was due to the following factors: 1) General Fund property taxes increased from higher valuations, taxes from the new residential development sales, and owner change reassessments, and 2) higher investment revenues in all governmental funds from fair value adjustments and higher rates of return. These increases exceed the lower intergovernmental revenues from one-time grants for planning (General Fund), American Rescue Plan revenues, and Transit Fund grants.

A summary of the revenues by source for the governmental funds is as follows:

**Revenues by Source – Governmental Funds
Fiscal Year 2024**



<u>Function</u>	<u>2024 Amounts</u>	<u>% of Total</u>	<u>2023 Amounts</u>	<u>% of Total</u>
Property Taxes	\$ 44.6	50 %	\$ 42.4	48 %
Other Taxes	19.9	22 %	19.8	23 %
Permits & Fees	1.5	2 %	1.8	2 %
Fines & Forfeitures	0.7	1 %	0.5	1 %
Investment & Rentals	6.5	7 %	3.8	4 %
Intergovernmental	7.9	9 %	10.7	12 %
Charges for Services	8.3	9 %	8.1	9 %
Other	0.3	<1 %	1.0	1 %
	<u>\$ 89.7</u>	<u>100 %</u>	<u>\$ 88.1</u>	<u>100 %</u>

Governmental fund expenditures combined were \$92.2 million this year. When compared to last year's amount of \$86.3 million there was an increase of \$5 million.

The largest increase was in public works (\$7.4 million) due primarily to a land stabilization project with a cost of over \$6 million. General Government decreased \$1.4 million as animal control, property insurance, and other non-departmental costs were lower. Beaches, parks and recreation increased \$0.5 million due to activity level and operational increases. Other department increases were less than \$400,000 or 0.5% and fluctuated based on staffing levels, maintenance contract costs, and other minor considerations.

Business Type Funds and Proprietary Funds

The total Business Type Net Position decreased from \$204.1 million to \$202.8 million by 0.1% with a change in net position of \$1.3 million. For the Proprietary Enterprise funds, the total Net position was \$200.7 prior to the adjustment for internal service fund activities of \$2.2 million. In total, unrestricted net position for proprietary funds increased from the previous year to \$48.7 million from \$45.9 million due to funds accumulated for capital purposes.

The Net position includes net investment in capital assets of \$148.0 million, restricted net position of \$4.0 million and unrestricted net position of \$48.7 million. Unrestricted net position does include \$48.3 million for infrastructure asset replacement funding. Unrestricted net position of the Water, Sewer and Golf operations at the end of the year amounted to \$29.2 million, \$13.6 million and \$5.2 million, respectively.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Last year's change in net position was an increase of \$0.7 million and this year has a decrease of \$1.9 million due to lower capital contributions. Last year, capital contributions totaled \$3.7 million due to Santa Margarita Water District contributions for capital systems for the delivery of recycled water, while this year's capital contributions are \$0.8 million. Total operating revenues increased by \$1.3 million due to rate increases during the year. The non-operating revenues increased \$3.6 million from higher investment income, based on higher interest rates, and grant income from state provided utility assistance from pandemic funding.

Costs were higher than the prior year at \$44.8 million, with salaries and benefits increasing due to the implementation of a class and compensation study and impacts from the pension investment returns of 2021 that impacted current pension costs, however this increase was partially offset by lower maintenance projects in the sewer fund. Depreciation and costs of water costs had little fluctuation when compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General fund is the main operating fund of the City. At the end of the current fiscal year, the General Fund's fund balance was \$34.9 million. Unassigned fund balance is \$4.7 million or 13% of the total fund balance. In total, the General Fund balance is \$3.3 million higher than the prior year and represents 41% of all governmental fund balances.

The original revenue budget for General Fund revenues was \$77.0 million. When this amount is compared to the final budgeted amount of \$77.1 million there was a \$0.1 million increase in the intergovernmental due to additional budgeted grants. No other significant revenue budget adjustments were done during the year. Activity levels did exceed the budget in a variety of areas, most notably in property taxes, investment income, and charges for services. Property taxes exceeded expectations due to value changes from sales, investment earnings were higher due to the improved interest rate market, and service charges were higher due to ambulance charges and parking meter revenues from weather conditions. These variances resulted in a positive impact of \$2.2 million or 2.8% from the General Fund final revenue budget.

General Fund budgeted expenditures increased from the original \$96.3 million to final budget amount of \$97.6 million. Mid-year budget adjustments were made to address service impacts as costs increased in specific areas, the net impact of the mid-year adjustments were \$0.2 million. Additionally, City Council approved other adjustments during the year such as to address the class and compensation implementation costs and other

sand replenishment activities. These adjustments occurred in various departments. These cost increases were partially offset by related revenue increases, however similar to the expenditures these were around \$0.2 million. At the end of the year, most departments had lower actual costs than budget, with the largest budget variances in community development, public works, and capital outlay as activities were delayed or are related to multiyear studies or projects, such as sand replenishment and maintenance projects.

General Fund actual expenditures ended the year \$16.6 million lower than the final budget with \$12.7 million of this amount reappropriated to the FY 2025 Budget. FY 2024 actual costs increased to \$81 million, which is \$6 million higher than last years \$75 million. A summary by department follows:

- General government is lower than budget due to staff savings and other vacant positions and a \$1.0 million one-time pension payment completed in FY 2023.
- Public safety costs are flat with the prior year at \$35.2 million for police and fire. These costs were flat due to a one-time \$3.0 million paydown of the unfunded pension liability in FY 2023 which was offset by police contract vacancy savings resulting in a \$1.6 million budget variance and by lower pension costs in FY 2024.
- Public works increased \$6.4 million due to costs related to sand stabilization project which is anticipated to cost \$9 million, however \$6 million was spent in FY 2024. The project timing has resulted in the budget variance and will be reappropriated in FY 2025. This project provides stabilization and improved drainage to address land slippage by a rail corridor and Casa Romantica historical property.
- Community development costs came in lower than budget by \$1.6 million, however costs were \$6.0 million in total compared to FY 2023 costs of \$6.1 million. The budget variances are a result of staffing vacancies (\$0.6 million), contract services and multi-year study timing (\$1.0 million), including the local coastal plan and other projects. Actual costs were lower than last year by \$0.1 million due FY 2023 costs for the permit and licensing system.
- Beaches, parks and recreation costs, including marine safety, are higher than last year by \$0.5 million with salary and benefit costs increasing \$0.4 million from lower vacancies and activity level increases, however these costs were still \$0.3 million lower than budget. Other budget variances were due to a fee study recently started and maintenance activities anticipated to be completed in FY 2025.
- Capital outlay was higher than prior year by \$0.2 million due to sidewalk, roads, and other capital maintenance projects.

General Fund financing sources (uses) include transfers in of \$6.5 million from the American Rescue Plan funds and amounts to fund the land stabilization project, while transfers out of \$1.5 million include funding for transit operations and capital project funding.

OTHER NON-MAJOR FUND HIGHLIGHTS

Other significant fund changes include 1) funds having higher investment income due to a higher interest rate environment and an improved fair value adjustment on investments with nonmajor governmental increasing from \$0.7 million last year to \$2.3 million in FY 2024, 2) Disaster Relief fund revenues and costs decreased as American Rescue Plan funds were fully used decreasing revenues by \$3.1 million, 3) developer fees were lower by \$0.3 million due to RCFPP fees received in FY 2023, 4) Nonmajor governmental costs decreased in the Miscellaneous Grants fund, Local Cable Infrastructure due to one-time projects in the prior year for infrastructure improvements in the CDBG eligible area and the Council Chamber capital project, and 5) The Parks Acquisition and Development Fund costs increased by \$1.3 million from due to the construction of a Pickleball facility.

Significant budget variances in non-major governmental funds were due to capital outlay on multi-year projects including those mentioned above, however some projects include a variety of street improvements in the Gas Tax and Street Improvement Funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$373.3 million (net of accumulated depreciation) as compared to the June 30, 2023 total of \$373.2 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and subscription assets, and construction-in-progress. The net increase in the City's capital assets (net of depreciation) for the current fiscal year was \$0.1 million, with an increase of \$3.1 million in governmental activities and a \$3.0 million decrease in business-type activities.

Major governmental capital improvements during the fiscal year included the Steed Park Lighting Replacements, Steed Park Pickleball Courts, Playground replacements at Steed Park and San Geronio, San Clemente Aquatics Center pool replastering, land improvements at Casa Romantica, and street improvements throughout the City. Business type capital projects included a sluice gates and digester flare replacement at the Water Reclamation Plant, water lines on Calle Real, a Sodium Hypochlorite tank replacement, and recycled water quality improvements.

Depreciation expense during the fiscal year was \$10.5 million for governmental activities and \$6.3 million for business-type activities as compared to \$11.0 million and \$6.3 million respectively in the previous fiscal year. There were no significant changes from depreciation amounts.

Further information can be found related to the Capital Assets in Note 7 of the Notes to the Financial Statements.

City of San Clemente Capital Assets (Net of Depreciation, in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 51.5	\$ 51.5	\$ 4.3	\$ 4.3	\$ 55.8	\$ 55.8
Infrastructure	99.1	100.6	72.1	73.8	171.2	174.4
Buildings & Improvements	55.2	53.3	72.0	72.7	127.2	126.0
Equipment & subscription assets	3.3	3.1	4.3	4.3	7.5	7.4
Construction-in- progress	<u>7.3</u>	<u>4.8</u>	<u>4.2</u>	<u>4.8</u>	<u>11.5</u>	<u>9.6</u>
Totals	<u>\$ 216.4</u>	<u>\$ 213.3</u>	<u>\$ 156.9</u>	<u>\$ 159.9</u>	<u>\$ 373.0</u>	<u>\$ 373.2</u>

Long-term Liabilities. At the end of the current fiscal year, the City's governmental activities had no bonded debt outstanding. Business-type activities had an outstanding loan from the State of California related to the construction and expansion of recycled water treatment facilities in the amount of \$8.7 million. During the year, a principal payment was made on the loan in the amount of \$693,621.

Further information on the Long-term Liabilities can be found in the Notes to the Financial Statements, Long Term Liabilities (Note 9). The following table summarizes the outstanding amounts related to loans at the end of the 2024 and 2023 Fiscal Years.

Outstanding Loans and Leases
(in millions)

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>	Business-type Activities <u>2024</u>	Business-type Activities <u>2023</u>
State Revolving Fund Loan	<u>-</u>	<u>-</u>	<u>\$ 8.7</u>	<u>\$ 9.4</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8.7</u>	<u>\$ 9.4</u>

Leases and subscription payables have both current and long-term amount described in the Notes to the Financial Statements.

SIGNIFICANT MATTERS

As of June 30, 2024, the City has outstanding commitments in the amount of \$17.7 million relating to construction and other contractual arrangements. In addition, the City is involved as a defendant in various legal proceedings. These legal proceedings include a variety of issues. While it is not feasible to predict or determine the outcome in these cases, it is the City's opinion that the outcome of the majority of these cases will have no material adverse effect on the net financial position of the City.

Further significant matters and information is found in the Notes to the Financial Statements, Note 12.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the City Manager, 910 Calle Negocio, San Clemente, CA 92673.



CITY OF SAN CLEMENTE
Statement of Net Position
June 30, 2024

<u>ASSETS</u>	Governmental	Business-type	Total
Cash and investments	\$ 92,466,179	\$ 55,562,684	\$ 148,028,863
Taxes receivable	4,174,719	-	4,174,719
Accounts receivable	2,542,887	6,877,645	9,420,532
Lease receivable	3,892,652	295,284	4,187,936
Interest receivable	587,634	383,317	970,951
Due from other governments	2,340,332	558,999	2,899,331
Internal balances	(2,160,576)	2,160,576	-
Inventories	-	308,021	308,021
Loans receivable	12,357,725	-	12,357,725
Restricted cash and investments	-	4,309,462	4,309,462
Capital assets, non-depreciable	58,762,252	8,496,467	67,258,719
Capital assets, net of accum. depreciation/amortization	157,627,658	148,392,128	306,019,786
Total Assets	<u>332,591,462</u>	<u>227,344,583</u>	<u>559,936,045</u>
Deferred Outflows of Resources:			
OPEB deferral	1,944,449	-	1,944,449
Pension deferral	12,421,509	2,725,434	15,146,943
Total Deferred Outflows of Resources	<u>14,365,958</u>	<u>2,725,434</u>	<u>17,091,392</u>
<u>LIABILITIES</u>			
Accounts payable	4,980,215	4,674,138	9,654,353
Accrued wages	585,296	69,152	654,448
Interest payable	7,734	95,861	103,595
Unearned revenue	1,071,825	1,102,155	2,173,980
Deposits payable	2,962,720	298,038	3,260,758
Long term liabilities:			
Portion due in one year:			
Compensated absences	412,468	152,681	565,149
Lease payable	26,085	-	26,085
Subscription payable	168,736	40,036	208,772
Loan payable	-	708,881	708,881
Claims payable	189,726	-	189,726
Portion due in more than one year:			
Compensated absences	962,426	356,255	1,318,681
Lease payable	108,329	-	108,329
Loan payable	-	8,005,735	8,005,735
Subscription payable	73,448	131,603	205,051
Claims payable	36,138	-	36,138
Net OPEB liability	2,556,760	-	2,556,760
Net pension liability	36,691,237	10,847,540	47,538,777
Total Liabilities	<u>50,833,143</u>	<u>26,482,075</u>	<u>77,315,218</u>
Deferred Inflows of Resources:			
Lease deferral	3,678,054	285,604	3,963,658
OPEB deferral	1,191,912	-	1,191,912
Pension deferral	4,176,823	475,806	4,652,629
Total Deferred Inflows of Resources	<u>9,046,789</u>	<u>761,410</u>	<u>9,808,199</u>
<u>NET POSITION</u>			
Net investment in capital assets	216,013,312	148,002,340	364,015,652
Restricted for:			
Public facilities construction	1,325,468	-	1,325,468
Local drainage facilities	3,213,908	-	3,213,908
Streets/roadway/traffic	12,498,372	-	12,498,372
Affordable housing	14,217,020	-	14,217,020
Other capital	5,524,192	3,110,822	8,635,014
Other purposes	4,120,414	900,602	5,021,016
Unrestricted	30,164,802	50,812,768	80,977,570
Total Net Position	<u>\$ 287,077,488</u>	<u>\$ 202,826,532</u>	<u>\$ 489,904,020</u>

See Accompanying Notes to the Financial Statements.

CITY OF SAN CLEMENTE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,022,290	\$ 496,211	\$ 173,675	\$ -
Police	22,306,450	727,146	199,337	-
Fire	14,690,773	2,657,396	-	-
Public works	28,011,911	1,549,042	7,942,970	409,262
Community development	7,121,650	2,221,288	513,346	-
Beaches, parks & recreation	11,494,830	5,094,410	182,335	108,147
Interest and fiscal charges	13,727	-	-	-
Total governmental activities	92,661,631	12,745,493	9,011,663	517,409
Business-type activities:				
Water	25,583,314	23,643,379	328,112	6,524
Sewer	14,932,401	12,341,277	148,342	829,749
Golf	2,871,206	3,831,941	-	-
Clean Ocean	1,438,144	264,112	328,000	-
Solid Waste	257,199	266,387	16,156	-
Total business-type activities	45,082,264	40,347,096	820,610	836,273
Total	\$ 137,743,895	\$ 53,092,589	\$ 9,832,273	\$ 1,353,682

General Revenue

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Investment earnings

Miscellaneous

Transfers

Total General Revenue and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See Accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (8,352,404)	\$ -	\$ (8,352,404)
(21,379,967)	-	(21,379,967)
(12,033,377)	-	(12,033,377)
(18,110,637)	-	(18,110,637)
(4,387,016)	-	(4,387,016)
(6,109,938)	-	(6,109,938)
(13,727)	-	(13,727)
(70,387,066)	-	(70,387,066)
-	(1,605,299)	(1,605,299)
-	(1,613,033)	(1,613,033)
-	960,735	960,735
-	(846,032)	(846,032)
-	25,344	25,344
-	(3,078,285)	(3,078,285)
(70,387,066)	(3,078,285)	(73,465,351)
44,417,134	-	44,417,134
12,936,153	-	12,936,153
3,237,529	-	3,237,529
2,806,274	-	2,806,274
1,145,019	-	1,145,019
3,092,177	2,733,623	5,825,800
62,864	-	62,864
913,717	(913,717)	-
68,610,867	1,819,906	70,430,773
(1,776,199)	(1,258,379)	(3,034,578)
288,853,687	204,084,911	492,938,598
<u>\$ 287,077,488</u>	<u>\$ 202,826,532</u>	<u>\$ 489,904,020</u>

CITY OF SAN CLEMENTE
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Revenue Transit
<u>ASSETS</u>		
Cash and investments	\$ 35,261,570	\$ -
Taxes receivable	4,174,719	-
Accounts receivable	1,388,608	382,605
Interest receivable	232,609	-
Lease receivable	3,892,652	-
Due from other funds	1,277,428	-
Due from other governments	298,928	1,306,375
Loans receivable	569,019	-
Total assets	<u>\$ 47,095,533</u>	<u>\$ 1,688,980</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 4,153,245	\$ 270,113
Accrued wages	215,810	-
Unearned revenue	771,825	-
Deposits payable	2,766,733	-
Due to other funds	-	1,245,945
Total liabilities	<u>7,907,613</u>	<u>1,516,058</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - receivables	578,546	1,649,328
Unavailable revenue - lease	3,678,054	-
Total deferred inflows of resources	<u>4,256,600</u>	<u>1,649,328</u>
<u>FUND BALANCES</u>		
Nonspendable	569,019	-
Restricted	-	-
Committed	20,119,048	-
Assigned	9,543,062	-
Unassigned (deficit)	4,700,191	(1,476,406)
Total fund balance (deficit)	<u>34,931,320</u>	<u>(1,476,406)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,095,533</u>	<u>\$ 1,688,980</u>

See Accompanying Notes to the Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 39,999,951	\$ 75,261,521
-	4,174,719
746,441	2,517,654
244,921	477,530
-	3,892,652
-	1,277,428
735,029	2,340,332
11,788,706	12,357,725
<u>\$ 53,515,048</u>	<u>\$ 102,299,561</u>
\$ 352,668	\$ 4,776,026
2,433	218,243
300,000	1,071,825
195,987	2,962,720
31,483	1,277,428
<u>882,571</u>	<u>10,306,242</u>
535,825	2,763,699
-	3,678,054
<u>535,825</u>	<u>6,441,753</u>
-	569,019
39,250,046	39,250,046
46,873	20,165,921
12,809,941	22,353,003
(10,208)	3,213,577
<u>52,096,652</u>	<u>85,551,566</u>
<u>\$ 53,515,048</u>	<u>\$ 102,299,561</u>



CITY OF SAN CLEMENTE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Fund balances for governmental funds	\$	85,551,566
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is net of the Internal Service Funds of \$2,989,788.

Governmental capital assets	375,479,121	
Less: accumulated depreciation/amortization	<u>(162,078,999)</u>	213,400,122

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The following is net of the Internal Service Funds compensated absences balance of \$35,488.

Compensated absences	(1,339,406)	
Subscription liability	(8,820)	
Net pension liability	<u>(36,691,237)</u>	(38,039,463)

Effect of deferred inflows and outflows on the statement of net position:

Deferred inflows of resources - pension related	(4,176,823)	
Deferred outflows of resources - pension related	<u>12,421,509</u>	8,244,686

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in the statement of net position.

Capital assets, net of depreciation/amortization	2,989,788	
Deferred inflows of resources - OPEB related	(1,191,912)	
Deferred outflows of resources - OPEB related	1,944,449	
Long term liabilities, current and noncurrent portion	(2,917,062)	
Other internal service assets (liabilities)	<u>14,331,615</u>	15,156,878

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, on the accrual basis they are included as revenue in the government-wide statements.

2,763,699

Net position of governmental activities	\$	<u><u>287,077,488</u></u>
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See Accompanying Notes to the Financial Statements.

CITY OF SAN CLEMENTE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Special Revenue Transit
Revenues:		
Taxes	\$ 64,266,217	\$ -
Permits and fees	1,519,620	-
Fines and forfeits	681,956	-
Investment and rentals	4,206,604	(27,715)
Intergovernmental	957,855	300,910
Charges for services	7,516,382	-
Developers fees	-	-
Other	133,276	-
Total Revenues	<u>79,281,910</u>	<u>273,195</u>
Expenditures:		
Current:		
General government	7,179,399	-
Police	21,392,749	-
Fire	13,843,570	-
Public works	21,890,514	1,266,734
Community development	5,978,212	-
Beaches, parks and recreation	7,957,712	-
Capital outlay	2,738,213	-
Total Expenditures	<u>80,980,369</u>	<u>1,266,734</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,698,459)</u>	<u>(993,539)</u>
Other Financing Sources (Uses):		
Transfers in	6,541,380	441,800
Transfers out	(1,550,457)	-
Total Other Financing Sources (Uses)	<u>4,990,923</u>	<u>441,800</u>
Net Change in Fund Balances	3,292,464	(551,739)
Fund Balances - Beginning of Year, as Restated	<u>31,638,856</u>	<u>(924,667)</u>
Fund Balances - End of Year	<u>\$ 34,931,320</u>	<u>\$ (1,476,406)</u>

See Accompanying Notes to the Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 212,635	\$ 64,478,852
-	1,519,620
-	681,956
2,277,437	6,456,326
6,631,901	7,890,666
809,940	8,326,322
171,773	171,773
33,284	166,560
<u>10,136,970</u>	<u>89,692,075</u>
66,105	7,245,504
173,269	21,566,018
-	13,843,570
1,264,778	24,422,026
355,637	6,333,849
12,140	7,969,852
8,088,580	10,826,793
<u>9,960,509</u>	<u>92,207,612</u>
<u>176,461</u>	<u>(2,515,537)</u>
2,247,185	9,230,365
<u>(6,668,180)</u>	<u>(8,218,637)</u>
<u>(4,420,995)</u>	<u>1,011,728</u>
(4,244,534)	(1,503,809)
<u>56,341,186</u>	<u>87,055,375</u>
<u>\$ 52,096,652</u>	<u>\$ 85,551,566</u>

CITY OF SAN CLEMENTE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds: \$ (1,503,809)

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 in the current period, as listed below:

Capital outlay	10,826,793	
Other maintenance activities	2,487,820	
Gain (loss) on capital assets	(562,486)	
Depreciation/amortization (net of Internal Service Funds of \$848,852)	<u>(9,634,631)</u>	3,117,496

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net revenue (expense) of internal service funds is reported with governmental activities. 163,629

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds.

Change in compensated absences liability (governmental)	(341,811)	
Subscription/lease liability change	44,310	
Pension actuarial amounts - outflows	(4,400,455)	
Pension actuarial amounts - inflows	2,552,141	
Change in net pension liability	<u>(1,720,155)</u>	(3,865,970)

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.

Prior year deferral	(2,451,244)	
Current year deferral	<u>2,763,699</u>	312,455

Change in net position of governmental activities \$ (1,776,199)

See Accompanying Notes to the Financial Statements.



CITY OF SAN CLEMENTE

Statement of Net Position

Proprietary Funds

June 30, 2024

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 32,978,043	\$ 15,433,841	\$ 6,563,769
Accounts receivable	4,252,708	2,230,326	38,831
Accrued interest	231,656	105,881	42,023
Due from other governments	558,999	-	-
Lease receivable	-	-	85,749
Inventory, at cost	267,887	-	40,134
Cash and investments - restricted	3,205,405	1,104,057	-
Total Current Assets	41,494,698	18,874,105	6,770,506
Noncurrent Assets:			
Lease receivable	-	-	209,535
Capital Assets:			
Land	3,912,097	410,298	2,011
Water, sewer and storm lines	45,274,535	79,812,857	-
Utility assets	43,848,304	106,448,286	-
Buildings	205,662	379,371	6,423,954
Improvements other than buildings	-	-	3,553,749
Subscription assets	215,439	-	-
Machinery and equipment	3,410,580	4,098,453	1,346,638
Construction in progress	720,995	3,448,052	3,014
Total Capital assets	97,587,612	194,597,317	11,329,366
Less accum. depreciation/amortization	(37,387,228)	(102,552,902)	(6,685,570)
Net Capital Assets	60,200,384	92,044,415	4,643,796
Total Noncurrent Assets	60,200,384	92,044,415	4,853,331
Total Assets	101,695,082	110,918,520	11,623,837
Deferred Outflows of Resources:			
OPEB deferral	-	-	-
Pension deferral	1,265,951	1,140,776	318,707
Total Deferred Outflows	1,265,951	1,140,776	318,707

See Accompanying Notes to Financial Statements.

Enterprise Funds		Internal Service
Nonmajor	Totals	
\$ 587,031	\$ 55,562,684	\$ 17,204,658
355,780	6,877,645	25,233
3,757	383,317	110,104
-	558,999	-
-	85,749	-
-	308,021	-
-	4,309,462	-
946,568	68,085,877	17,339,995
-	209,535	-
-	4,324,406	-
-	125,087,392	-
-	150,296,590	-
-	7,008,987	443,134
-	3,553,749	1,204,810
-	215,439	1,029,490
15,000	8,870,671	7,731,854
-	4,172,061	-
15,000	303,529,295	10,409,288
(15,000)	(146,640,700)	(7,419,500)
-	156,888,595	2,989,788
-	157,098,130	2,989,788
946,568	225,184,007	20,329,783
-	-	1,944,449
-	2,725,434	-
-	2,725,434	1,944,449

(Continued)

CITY OF SAN CLEMENTE
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 3,651,810	\$ 477,234	\$ 220,309
Accrued wages	30,821	26,278	9,707
Lease payable	-	-	-
Interest payable	95,861	-	-
Compensated absences payable	65,435	51,918	27,249
Subscription payable	40,036	-	-
Loan payable	708,881	-	-
Claims and judgements payable	-	-	-
Unearned revenue	1,100,000	-	2,155
Deposits payable - restricted assets	298,038	-	-
Total Current Liabilities	5,990,882	555,430	259,420
Noncurrent Liabilities:			
Lease payable	-	-	-
Compensated absences payable	152,679	121,143	63,581
Subscription payable	131,603	-	-
Claims and judgments payable	-	-	-
Loan payable	8,005,735	-	-
Net OPEB liability	-	-	-
Net pension liability	5,063,192	4,442,573	1,341,775
Total Noncurrent Liabilities	13,353,209	4,563,716	1,405,356
Total Liabilities	19,344,091	5,119,146	1,664,776
Deferred Inflow of Resources:			
Lease	-	-	285,604
Pension deferral	222,059	194,977	58,770
	222,059	194,977	344,374
<u>NET POSITION</u>			
Net investment in capital assets	51,314,129	92,044,415	4,643,796
Restricted for debt service	900,602	-	-
Restricted for capital projects	2,006,765	1,104,057	-
Unrestricted	29,173,387	13,596,701	5,289,598
Total Net Position	\$ 83,394,883	\$ 106,745,173	\$ 9,933,394

Adjustment to reflect the consolidation of internal
service fund activities to related enterprise funds

Net position of business-type activities

See Accompanying Notes to the Financial Statements.

Enterprise Funds		Internal Service
Nonmajor	Totals	
\$ 324,785	\$ 4,674,138	\$ 204,189
2,346	69,152	367,053
-	-	26,085
-	95,861	7,734
8,079	152,681	10,646
-	40,036	168,736
-	708,881	-
-	-	189,726
-	1,102,155	-
-	298,038	-
335,210	7,140,942	974,169
-	-	108,329
18,852	356,255	24,842
-	131,603	64,628
-	-	36,138
-	8,005,735	-
-	-	2,556,760
-	10,847,540	-
18,852	19,341,133	2,790,697
354,062	26,482,075	3,764,866
-	285,604	-
-	475,806	1,191,912
-	761,410	1,191,912
-	148,002,340	2,623,973
-	900,602	-
-	3,110,822	-
592,506	48,652,192	14,693,481
\$ 592,506	200,665,956	\$ 17,317,454
	2,160,576	
	\$ 202,826,532	

(Concluded)

CITY OF SAN CLEMENTE
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Operating Revenues:			
Charges for services	\$ 22,064,757	\$ 12,319,537	\$ 2,942,925
Concessions	-	-	889,016
Other	1,578,622	21,740	-
Total Operating Revenues	<u>23,643,379</u>	<u>12,341,277</u>	<u>3,831,941</u>
Operating Expenses:			
Salaries and benefits	4,217,156	3,801,661	1,195,616
Cost of purchased water	9,074,661	-	-
Cost of materials and supplies	801,930	844,100	224,087
Depreciation/amortization	1,910,536	4,205,036	211,823
Insurance premiums	-	-	-
Benefit payments	-	-	-
Maintenance and other operating expenses	9,279,626	6,106,852	1,244,278
Total Operating Expenses	<u>25,283,909</u>	<u>14,957,649</u>	<u>2,875,804</u>
Operating Income (Loss)	<u>(1,640,530)</u>	<u>(2,616,372)</u>	<u>956,137</u>
Non-Operating Revenues (Expenses):			
Investment income	1,661,514	749,426	255,546
Grant income	328,112	148,342	-
Interest and fiscal charges	(199,351)	-	-
Gain (Loss) on sale of capital assets	(50)	-	-
Total Non-Operating Revenues (Expenses)	<u>1,790,225</u>	<u>897,768</u>	<u>255,546</u>
Income (Loss) Before Transfers and Capital Contributions	<u>149,695</u>	<u>(1,718,604)</u>	<u>1,211,683</u>
Capital contributions	6,524	829,749	-
Total Capital Contributions	<u>6,524</u>	<u>829,749</u>	<u>-</u>
Transfers in	-	-	-
Transfers out	(846,465)	(438,870)	(350,000)
Total Transfers	<u>(846,465)</u>	<u>(438,870)</u>	<u>(350,000)</u>
Change in Net Position	<u>(690,246)</u>	<u>(1,327,725)</u>	<u>861,683</u>
Net Position - Beginning of Year	<u>84,085,129</u>	<u>108,072,898</u>	<u>9,071,711</u>
Net Position - End of Year	<u>\$ 83,394,883</u>	<u>\$ 106,745,173</u>	<u>\$ 9,933,394</u>
Adjustment to reflect the consolidation of internal service fund activities to related enterprise funds			
Change in net position of business-type activities			
See Accompanying Notes to the Financial Statements.			

Enterprise Funds		Internal Service
Nonmajor	Totals	
\$ 257,501	\$ 37,584,720	\$ 11,356,464
-	889,016	-
272,998	1,873,360	30,427
<u>530,499</u>	<u>40,347,096</u>	<u>11,386,891</u>
290,358	9,504,791	936,257
-	9,074,661	-
23,118	1,893,235	582,565
-	6,327,395	848,852
-	-	5,723,471
-	-	92,155
1,369,051	17,999,807	3,788,323
<u>1,682,527</u>	<u>44,799,889</u>	<u>11,971,623</u>
<u>(1,152,028)</u>	<u>(4,452,793)</u>	<u>(584,732)</u>
67,137	2,733,623	777,125
344,156	820,610	-
-	(199,351)	(13,727)
-	(50)	-
<u>411,293</u>	<u>3,354,832</u>	<u>763,398</u>
<u>(740,735)</u>	<u>(1,097,961)</u>	<u>178,666</u>
-	836,273	-
-	836,273	-
285,000	285,000	721,618
(285,000)	(1,920,335)	(98,011)
-	(1,635,335)	623,607
<u>(740,735)</u>	<u>(1,897,023)</u>	<u>802,273</u>
<u>1,333,241</u>		<u>16,515,181</u>
<u>\$ 592,506</u>		<u>\$ 17,317,454</u>
	<u>638,644</u>	
	<u>\$ (1,258,379)</u>	

CITY OF SAN CLEMENTE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Cash Flows from Operating Activities:			
Cash received from customers	\$ 21,467,735	\$ 12,180,040	\$ 2,928,304
Receipts from interfund charges	-	-	-
Cash paid to other suppliers for goods or services	(18,355,590)	(7,587,393)	(1,411,907)
Cash payment to employees	(3,707,782)	(3,353,833)	(1,061,621)
Cash from rents and concessions	-	-	889,016
Cash from other operating revenues	1,578,622	21,740	-
Net Cash Provided by (Used for) Operating Activities	<u>982,985</u>	<u>1,260,554</u>	<u>1,343,792</u>
Cash Flows from Noncapital Financing Activities:			
Grant income	-	-	-
Cash received from other funds	-	-	-
Cash paid to other funds	<u>(846,465)</u>	<u>(438,870)</u>	<u>(350,000)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(846,465)</u>	<u>(438,870)</u>	<u>(350,000)</u>
Cash Flows from Capital and Related Financing Activities:			
Capital contributions	6,524	829,749	-
Grant Income	328,112	148,342	-
Purchase and construction of capital assets	(760,929)	(2,473,197)	(71,558)
Cash proceeds from sale of capital assets	-	-	-
Payment on capital loan	(693,622)	-	-
Interest and fiscal charges	<u>(199,351)</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,319,266)</u>	<u>(1,495,106)</u>	<u>(71,558)</u>
Cash Flows from Investing Activities:			
Investment income received	<u>1,593,565</u>	<u>722,508</u>	<u>239,393</u>
Net Cash Provided by (Used for) Investing Activities	<u>1,593,565</u>	<u>722,508</u>	<u>239,393</u>
Net Increase (Decrease) in Cash and Cash Equivalents	410,819	49,086	1,161,627
Cash and Cash Equivalents at Beginning of Year	<u>35,772,629</u>	<u>16,488,812</u>	<u>5,402,142</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 36,183,448</u></u>	<u><u>\$ 16,537,898</u></u>	<u><u>\$ 6,563,769</u></u>

See Accompanying Notes to the Financial Statements.

Enterprise Funds		
Nonmajor	Totals	Internal Service
\$ 204,700	\$ 36,780,779	\$ -
-	-	11,385,854
(1,388,522)	(28,743,412)	(11,463,506)
(272,460)	(8,395,696)	(951,660)
-	889,016	-
-	1,600,362	-
(1,456,282)	2,131,049	(1,029,312)
344,156	344,156	-
285,000	285,000	721,618
(285,000)	(1,920,335)	(98,011)
344,156	(1,291,179)	623,607
-	836,273	-
-	476,454	-
-	(3,305,684)	(704,405)
-	-	-
-	(693,622)	-
-	(199,351)	(13,727)
-	(2,885,930)	(718,132)
71,176	2,626,642	753,381
71,176	2,626,642	753,381
(1,040,950)	580,582	(370,456)
1,627,981	59,291,564	17,575,114
\$ 587,031	\$ 59,872,146	\$ 17,204,658

(Continued)

CITY OF SAN CLEMENTE
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (1,640,530)	\$ (2,616,372)	\$ 956,137
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/amortization expense	1,910,536	4,205,036	211,823
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(597,022)	(139,497)	(5,690)
(Increase) decrease in net lease receivable	-	-	(4,479)
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in inventories	(26,978)	-	5,121
Increase (decrease) in accounts payable	651,911	(636,441)	51,337
Increase (decrease) in unearned revenue	-	-	(4,452)
Increase (decrease) in subscription based IT payable	171,639	-	-
Increase (decrease) in accrued wages	2,453	925	2,138
Increase (decrease) in deposits payable	4,055	-	-
Increase (decrease) in pension/OPEB liabilities	476,796	457,030	120,691
Increase (decrease) in compensated absences	30,125	(10,127)	11,166
Increase (decrease) in claims & judgments payable	-	-	-
Total Adjustments	2,623,515	3,876,926	387,655
Net Cash Provided by (Used for) Operating Activities	\$ 982,985	\$ 1,260,554	\$ 1,343,792
Noncash investing, capital, and financing activities:			
Unrealized gain (loss) from investments	\$ (660,681)	\$ (260,994)	\$ (81,434)

See Accompanying Notes to the Financial Statements.

Enterprise Funds		
Nonmajor	Totals	Internal Service
<u>\$ (1,152,028)</u>	<u>\$ (4,452,793)</u>	<u>\$ (584,732)</u>
-	6,327,395	848,852
(325,799)	(1,068,008)	(1,037)
-	(4,479)	-
-	-	-
-	(21,857)	-
3,647	70,454	(50,355)
-	(4,452)	-
-	171,639	(325,838)
1,420	6,936	72,912
-	4,055	-
-	1,054,517	146,900
16,478	47,642	(88,315)
-	-	(1,047,699)
<u>(304,254)</u>	<u>6,583,842</u>	<u>(444,580)</u>
<u>\$ (1,456,282)</u>	<u>\$ 2,131,049</u>	<u>\$ (1,029,312)</u>

\$ (47,705) \$ (1,050,814) \$ 329,190

(Concluded)

CITY OF SAN CLEMENTE
Statement of Net Position
Fiduciary Funds
June 30, 2024

	Pension and Other Post Employment Benefits Trust	Private Purpose Trust Fund RDA Successor Agency Trust
Assets:		
Cash and investments	\$ -	\$ 193,373
Cash and investments with fiscal agents	-	-
Taxes receivable	-	-
Accounts receivable	-	-
Accrued interest receivable	-	1,243
Investments, at fair value:		
Group annuity contract	5,200,556	-
PIMCO Total Return Bond mutual fund	5,219,586	-
U.S. Government Treasury Inflation Bond mutual fund	780,024	-
Dodge & Cox International mutual fund	3,900,121	-
PIMCO All Asset Authority mutual fund	1,300,040	-
Russell 1000 Index mutual fund	8,320,258	-
Russell 2000 Index mutual fund	1,300,040	-
Total Assets	<u>26,020,625</u>	<u>194,616</u>
Liabilities:		
Accounts payable	-	-
Accrued wages	-	-
Payable to other entities	-	-
Loan from the City of San Clemente	-	278,615
Due to bondholders	-	-
Total Liabilities	<u>-</u>	<u>278,615</u>
Total Net Position:		
Net position restricted for pensions	26,020,625	-
Net position held for others	-	-
Net position held in trust for Redevelopment Agency	-	(83,999)
Total Net Position	<u>\$ 26,020,625</u>	<u>\$ (83,999)</u>

See Accompanying Notes to the Financial Statements.

Custodial Funds	
<hr/>	
\$	5,334,568
	8,874,809
	62,858
	26,114
	27,238
	-
	-
	-
	-
	-
	-
	-
	-
	<hr/>
	14,325,587
	<hr/>
	32,570
	14,804
	327,939
	-
	13,217,445
	<hr/>
	13,592,758
	<hr/>
	-
	732,829
	-
	<hr/>
\$	732,829
	<hr/>

CITY OF SAN CLEMENTE
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Pension and Other Post Employment Benefits Trust	Private Purpose Trust Fund RDA Successor Agency Trust
Additions:		
Contributions:		
Employer pension contributions	\$ 1,738,268	\$ -
Employee pension contributions	33,108	-
Total Contributions	<u>1,771,376</u>	<u>-</u>
Property tax	-	355,806
Contributions from other agencies	-	-
License and fees collected	-	-
Donations and miscellaneous revenues	-	-
Other Additions	<u>-</u>	<u>355,806</u>
Investment Income:		
Net appreciation (depreciation) in fair value of investments	2,374,598	-
Investment income	349,035	3,713
Total Investment Income (Loss)	<u>2,723,633</u>	<u>3,713</u>
Total Additions	<u>4,495,009</u>	<u>359,519</u>
Deductions:		
Benefit payments	2,732,663	-
Payment to bondholders	-	-
Program expenses	-	-
Administrative expenses	70,082	-
Total Deductions	<u>2,802,745</u>	<u>-</u>
Change in net position	1,692,264	359,519
Net position - Beginning of Year, as restated	<u>24,328,361</u>	<u>(443,518)</u>
Net position - End of Year	<u><u>\$ 26,020,625</u></u>	<u><u>\$ (83,999)</u></u>

See Accompanying Notes to the Financial Statements.

Custodial Funds	
<hr/>	
\$	-
	-
<hr/>	
	-
<hr/>	
	4,541,007
	1,417,610
	319,776
	259,328
<hr/>	
	6,537,721
<hr/>	
	-
	605,330
<hr/>	
	605,330
<hr/>	
	7,143,051
<hr/>	
	-
	5,096,629
	1,338,073
	324,960
<hr/>	
	6,759,662
<hr/>	
	383,389
	349,440
<hr/>	
\$	732,829
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Notes to the Financial Statements

CITY OF SAN CLEMENTE
Notes to the Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting entity:

The City of San Clemente (the “City”) was incorporated in February of 1928 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, beaches, parks and recreation, public improvements, planning and zoning, golf, utilities (water, sewer, storm drain and urban runoff) and general administrative services. The financial statements of the City of San Clemente have been prepared in conformity with generally accepted accounting principles 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.

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

The City financial statements include the financial activities of the City, the former San Clemente Redevelopment Agency (the “Successor Agency”) and the San Clemente Public Financing Authority (“PFA”). The City accounts for the Successor Agency and the PFA as “blended” component units. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and so data from these units are reported with the City. The accounting policies of the City, the Successor Agency and the PFA conform to generally accepted accounting principles which apply to governments.

The Redevelopment Agency was established in January 1975 pursuant to the State of California Health and Safety Code, Section 33000 entitled “Community Redevelopment Law”. Its purpose was to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational and public facilities. All redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency were transferred to the Successor Agency and are reported as a fiduciary fund (private-purpose trust fund) in the City’s financial statements until the obligations of the former redevelopment agency are paid..

The PFA was created in May 2007 pursuant to the State of California Government Code, Section 6500. The City and the Agency are member agencies. The Agreement provides for the PFA to jointly exercise the powers to provide for the financing or refinance of public capital improvements of the City, Agency or other local agencies through the acquisition and or purchase by the Authority of Local Obligations. The PFA has the power to acquire and to finance and refinance the acquisition of public capital improvements necessary or convenient for the operation of the City or the Agency, including the issuance of Revenue Bonds. The PFA was previously reported as an Agency fund since the debt was conduit debt and not an obligation of the City. However, this debt was refinanced in FY 2017 and financial statements are no longer issued.

The City of San Clemente and the City of Dana Point are members of the Coastal Animal Services Authority, these activities are reported as a fiduciary fund. For more information on this Joint Exercise of Powers Agreement see Note 12 A.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

B. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of presentation – government-wide financial statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities.

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

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

Net position, which is equity, is reported in the following categories: net investment in capital assets, which represents the City's equity interest in the capital assets; restricted, whose use is not subject to the City's own discretion; and, unrestricted, are the remaining assets. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

D. Basis of presentation – fund financial statements:

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.

Local Transit Fund – This Special Revenue fund is used to account for funds received by Measure M and other grants for the San Clemente Rides and Trolley transit program costs.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

The City reports the following major enterprise funds:

Water Utility Fund - The water utility fund accounts for of the City's water utility financial activity. The costs of providing these services to the public are financed or recovered primarily through user charges. The water utility serves most of the City of San Clemente.

Sewer Utility Fund - The sewer utility fund accounts for the City's sewer utility financial activity. The costs of providing sewer and certain storm drain services to the public are financed or recovered primarily through user charges. The sewer utility serves most of the City of San Clemente.

Golf Course Fund - The golf course fund accounts for the City owned 18-hole golf course's operation and maintenance. The costs of providing these services to the general public are financed or recovered primarily through user charges. The City considers this a major fund.

Additionally, the City reports the following fund types:

Special Revenue Funds – Special revenue funds account for specific revenue sources that are restricted, committed, or assigned to expenditures for a particular purpose.

Capital Project Funds – Capital project funds account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

Internal Service Funds - Internal service funds are used to finance and account for self-insurance, employee services, data processing, central services, and fleet service to other departments or agencies of the City, on a cost reimbursement basis.

Pension and Other Post-Employment Benefits Trust Fund - The pension trust fund accounts for the City of San Clemente Employee Retirement Plan (CSCERP), which accumulates resources for pension benefit payments to qualified non-public safety city employees.

Private Purpose Trust Fund - The Successor Agency Trust fund holds assets and accumulates resources to pay former Redevelopment Agency enforceable obligations and administrative costs.

Custodial Funds – Custodial funds account for taxes received for special assessment debt for which the City is not obligated and for monies that are held as part of a joint powers authority agreement.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statement, certain eliminations are made in the preparation of the government-wide financial statements. Balance between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfer in the governmental activities column. Similarly, balances between the

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On an accrual basis, property taxes are recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements and donations are recognized as revenue once all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments and compensated absences, which are recorded when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Implementation of New GASB Pronouncements

In FY 2024, the City adopted and implemented the following new accounting standards:

Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* Streamlines the reporting of accounting changes and error corrections and the related disclosures in governmental financial reporting.

G. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance:

a) Cash and investments:

The City pools cash and investments of all funds, except for assets held by fiscal agents. Cash is considered to be cash on hand and demand deposits. Investments are reported in the accompanying balance sheet at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income and interest earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For the purpose of the Statement of Cash Flows, all pooled cash and investments are considered cash equivalents, as the deposits can be accessed at any time. The City invests a portion of its portfolio in the California Local Agency Investment Fund, which can be converted to cash within 24 hours notice.

b) Inventories and prepaids:

Inventories are valued at cost on a first-in, first-out basis. Inventory in the enterprise funds consists of expendable supplies held for consumption. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

c) Capital assets:

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition value. Lease and subscription assets are valued at the present value of future payments at the inception of the arrangement. The City utilizes a capitalization threshold of \$5,000 for property, plant, and equipment and \$25,000 for infrastructure assets.

Depreciation/amortization of all exhaustible capital assets used by the governmental and business-type activities is charged as an expense against their operations. Accumulated depreciation/amortization is reported on the statement of net position. The straight-line method depreciation/amortization is used over the following estimated useful lives:

Utility assets	10-60 years
Buildings	30-50 years
Improvements other than buildings	10-50 years
General equipment	10 years
Vehicles	3-25 years
Infrastructure	20-75 years
Subscription assets	3-7 years
Intangibles	3-10 years

d) Subscription-Based Information Technology (IT) Arrangements:

The City is a participant in subscription-based IT arrangements. The City recognizes subscription payable and subscription assets in the financial statements.

At the commencement of the arrangement, the City initially measures the payable at the present value of payments expected to be paid during the arrangement term. Subsequently, the payable is reduced by the principal portion of payments made. The subscription assets are initially measured at the initial amount of the subscription payable. Subsequently, the subscription assets are amortized over the life to the arrangement term.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

e) Compensated absences:

The City's policy permits employees to accumulate earned but unused vacation, sick and compensatory time. The balance of unpaid vacation, sick time for eligible employees, and compensatory time at June 30, 2024 is recorded as a liability. Unpaid compensated absences in proprietary fund types are accrued as a liability in those funds as employees vest benefits.

f) Pensions:

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting. In general, the City recognizes a net pension liability, which represents the City's share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial reports. The net pension liability is measured as of the measurement date.

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 of San Clemente's California Public Employees' Retirement System (CalPERS) plans and CSCERP Plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the plan administrators. 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.

g) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. 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, 2023
Measurement Period	July 1, 2022 to June 30, 2023

h) Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position 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.

In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Governmental funds also include deferred inflows of resources which are unavailable to finance expenditures of the current period. The amounts have been earned but are not available to finance expenditures in the current period. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

i) Net position flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted 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 amounts are applied.

j) Fund balance flow assumptions:

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

k) Fund balance policies

Fund balance of governmental funds is reported in categories based on limitations on the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts to be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of a change to the ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has authorized the city manager to assign fund balance. The council may also assign fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Further information on the fund balance classifications are reported in Note 11.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

H. Revenues and expenditures/expenses

1. Program Revenues:

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes:

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Orange bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they are available to finance current operations.

The County of Orange is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than two percent per year. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

3. Proprietary funds operating and nonoperating revenues and expenses:

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

Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations.

4. Claims and Judgments:

When it is probable that a claim liability has been incurred, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Claims payable, which includes an estimate for "incurred but not reported claims" ("IBNR"), are recorded in an internal service fund.

5. Use of Estimates:

The preparation of basic financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could be different from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgets and Budgetary Accounting:

The City adopts budgets for the governmental funds on an annual basis substantially consistent with generally accepted accounting principles. Budgeted amounts reported are as originally adopted and as further amended by the City Council. The general fund, special revenue funds, and capital project funds have legally adopted budgets. The capital project funds adopt project length budgets. The City made supplemental budgetary appropriations during the fiscal year of \$78.4 million.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

B. Deficit Fund Balance:

The deficit fund balance in the Air Quality Improvement Special Revenue Fund will be funded by future intergovernmental revenues. The Employee Medical Internal Service deficit fund balance will be recovered through charges to fund the initial OPEB unfunded liability.

3. CASH AND INVESTMENTS:

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of position:

Cash and investments	\$ 148,028,863
Cash and investments – restricted	4,309,462
Fiduciary funds:	
Cash and investments – private purpose trust funds	193,373
Cash and investments – custodial funds	5,334,568
Cash and investments held by bond trustee	8,874,809
Pension trust investments	<u>26,020,625</u>
Total cash and investments	<u>\$ 192,761,700</u>

Cash and investments as of June 30, 2024 consist of the following:

Cash on hand	\$ 5,950
Deposits with financial institutions	5,391,565
Investments held by City and bond trustee	161,343,560
Pension trust investments	<u>26,020,625</u>
Total cash and investments	<u>\$ 192,761,700</u>

Authorized Investments under California Government Code and the City Investment Policy:

The following table identifies investment types authorized for the City by the California Government Code (or the City's investment policy, where it is more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where it is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio*</u>	<u>Maximum % in One Issuer</u>
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities:	5 years	75%	30%
Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp. (FHLMC), Federal National Mortgage Assoc. (FNMA), Tennessee Valley Authority (TVA)			
Banker's Acceptances	180 days	30%	5%
Medium-Term Notes	5 years	20%	3%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	50%	\$ 75 Million
Commercial Paper	270 days	15%	5%
Repurchase Agreements	1 year	30%	5%
Asset Backed Securities	5 years	10%	5%
Orange County Investment Pool	N/A	10%	\$15 million
Insured Certificates of Deposit	5 years	30%	5%
Negotiable Certificates of Deposit (NCD)	3 years	20%	3%
Demand Deposits	N/A	30%	5%

* Excludes amounts held by bond trustee not subject to California Government Code restrictions.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

The previous table does not address investments of debt proceeds held by bond trustee which are governed by debt agreements provisions rather than California Government Code or the City's investment policy.

Investments Authorized by Debt Agreements:

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
Repurchase Agreements	1 year	None	30%
Money Market Mutual Funds	N/A	20%	None
Investment Contracts	30 years	None	None
LAIF	N/A	None	None

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One way the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities to provide the cash flow and liquidity needed for operations based on historical trends. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Total Amount</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
U.S. Treasury securities	\$ 57,707,311	\$ 18,844,161	\$ 17,326,023	\$ 21,537,127
Federal Agency securities:				
Federal Farm Credit Bank	4,162,969	980,623	-	3,182,346
Federal Home Loan Bank	16,293,382	6,626,505	1,884,642	7,782,235
Federal Home Loan Mortgage Corp.	2,418,234	1,465,487	952,747	-
Federal National Mortgage Assoc.	7,483,048	6,060,893	1,422,155	-
Negotiable Certificates of Deposit	1,478,835	499,796	979,039	-
LAIF	47,674,697	47,674,697	-	-
Medium Term Note	11,817,805	2,256,379	1,441,495	8,119,931
Commercial Paper (Asset backed)	3,432,470	-	387,228	3,045,242
Held by bond trustee:				
Money market funds	8,874,809	8,874,809	-	-
Total	<u>\$ 161,343,560</u>	<u>\$ 93,283,350</u>	<u>\$ 24,393,329</u>	<u>\$ 43,666,881</u>

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following presentation is the minimum rating allowed by (where applicable) the California

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Government Code, the City's investment policy, or debt agreements, and the actual ratings as of year end for each investment type as determined by Standard and Poor's.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum</u>	<u>Exempt From</u>	<u>Ratings as of Year End</u>		
		<u>Rating</u>	<u>Rating</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
U.S. Treasury securities	\$ 57,707,311	N/A	\$ 57,707,311	\$ -	\$ -	\$ -
Federal agency securities:						
FFCB	4,162,969	N/A	4,162,969	-	-	-
FHLB	16,293,382	N/A	16,293,382	-	-	-
FHLMC	2,418,234	N/A	2,418,234	-	-	-
FNMA	7,483,048	N/A	7,483,048	-	-	-
Negotiable Certificate of Deposits	1,478,835		1,478,835	-	-	-
LAIF	47,674,697	N/A	47,674,697	-	-	-
Medium Term Notes	11,817,805	A	-	-	3,208,719	8,609,086
Commercial paper	3,432,470	A	-	3,432,470	-	-
Held by Bond trustee:						
Money market funds	8,874,809	N/A	-	8,874,809	-	-
	<u>\$ 161,343,560</u>		<u>\$ 137,218,476</u>	<u>\$ 12,307,279</u>	<u>\$ 3,208,719</u>	<u>\$ 8,609,086</u>

Concentration of Credit Risk:

The City's investment policy contains limitations on the amount that can be invested in any one issuer beyond limitations stipulated by the California Government Code. Investments in any one issuer (excluding U.S. Treasuries) that represent 5% or more of total City's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of City Investments</u>
Federal Home Loan Bank	Federal agency securities	\$ 16,293,382	10%

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. 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 with a value of 150% of secured public deposits. GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: \$1,001,973 of the City's deposits with financial institutions in excess of federal depository insurance limits is held in collateralized accounts.

As of June 30, 2024, the following City investments were held by the safekeeping department of Bank of the West and the City uses other broker-dealers to buy the securities:

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasury securities	\$ 57,707,311
Federal agency securities:	
Federal Farm Credit Bank	4,162,969
Federal Home Loan Bank	16,293,382
Federal Home Loan Mortgage Corp	2,418,234
Federal National Mortgage Association	7,483,048
Negotiable Certificate of Deposits	1,478,835
Medium Term Notes	11,817,805
Commercial Paper (Asset Backed)	3,432,470

Investment in State Investment Pool:

The City is a voluntary participant in the LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported 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 amount available for withdrawal is based on the LAIF's accounting records, which are recorded at an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals made in LAIF are 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.

As of June 30, 2024, the City had \$47,674,697 invested in LAIF based on LAIF's fair value factor of 0.996316042 used to calculate the fair value of LAIF investments. The City's investment with LAIF at June 30, 2024, includes a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. LAIF invested 3.00% of the pool investment funds in Structured Notes and Asset-Backed Securities.

- *Structured Notes* are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- *Asset-Backed Securities* are generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

Fair Value of Investments

The City of San Clemente measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices either directly or indirectly (the City valued these using institutional bond quotes); and,
- *Level 3:* Unobservable inputs.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

The following table summarizes the recurring fair value measurements and the fair value method used:

Investment Type	Investment Amount	Uncategorized	Fair Value Measurement Methodology		
			Level 1	Level 2	Level 3
U.S. Treasury securities	\$ 57,707,311	\$ -	\$ 57,707,311	\$ -	\$ -
Federal Agency securities:					
Federal Farm Credit Bank	4,162,969	-	-	4,162,969	-
Federal Home Loan Bank	16,293,382	-	-	16,293,382	-
Federal Home Loan Mortgage Corp.	2,418,234	-	-	2,418,234	-
Federal National Mortgage Assoc.	7,483,048	-	-	7,483,048	-
Negotiable Certificates of Deposit	1,478,835	-	-	1,478,835	-
LAIF	47,674,697	47,674,697	-	-	-
Medium Term Note	11,817,805	-	-	11,817,805	-
Commercial Paper	3,432,470	-	-	3,432,470	-
Held by bond trustee:					
Money market funds	8,874,809	-	8,874,809	-	-
Total	<u>\$ 161,343,560</u>	<u>\$ 47,674,697</u>	<u>\$ 66,582,120</u>	<u>\$ 47,086,743</u>	<u>\$ -</u>

Pension Trust Fund Investments:

The City of San Clemente Employees' Retirement Plan (CSCERP) pension trust investments are not covered by the City's Investment Policy. Investments consist of equities, fixed income, and an annuity contract. Specific guidelines for the funds are detailed in the prospectus, or declaration of Trust for each individual fund. Investment values are reported at fair value, which is based on the quoted market prices. Specifically identifiable investments are recorded by the Trustee in its records. All investments are either held by the counterparty or the counterparty's trust department or agent, but not in the City's or CSCERP's name directly.

The pension plan's investment policy is established and can be modified by the City. The target asset allocation of the investment portfolio is a 32% to large capitalization equities, 5% to small capitalization equities, 15% to international equities, 20% to core fixed income, 3% to Treasury Inflation Protected securities, 5% to a hybrid all asset fund. An investment advisory firm is used to assist with the management and oversight of pension fund investments. The expected rate of return on these pension investments is 5.50%.

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was an 11.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Pension investments held and the percentage of the pension investment portfolio at June 30, 2024 follows:

Pension Trust Fund Investments	Fair value	% of Pension Portfolio
<i>Equity Investments</i>		
Dodge & Cox International mutual fund	\$ 3,900,121	15%
Russell 1000 Index mutual fund	8,320,258	32%
Russell 2000 Index mutual fund	1,300,040	5%
<i>Fixed Income Investments</i>		
Group annuity contract	5,200,556	20%
PIMCO Total Return Bond mutual fund	5,219,586	20%
US Government Treasury Inflation Bond mutual fund	780,024	3%
<i>Hybrid Investments (equity and fixed income)</i>		
PIMCO All Asset Authority mutual fund	1,300,040	5%
Total pension trust investments (fair value)	<u>\$ 26,020,625</u>	<u>100%</u>

Fair value of the mutual funds held in the pension portfolio is based on the market value of the mutual funds. Fair value of the group annuity contract is based on the net asset value and is considered an alternative investment, which generally does not have readily obtainable market values.

4. LOAN RECEIVABLES:

Loans receivable of \$12,357,725 consists of a loan receivable due from the Redevelopment Agency Successor Agency for \$278,615, a non-profit capital assistance loan of \$290,404, and housing loans receivable of \$11,788,706.

On July 1, 2002, the Agency and the City entered into an agreement to loan the Agency \$3,420,690 at a rate of 2.9% per annum. However, on February 1, 2012 the Redevelopment Agency was dissolved with an outstanding loan due to the City approved by the State of California under the dissolution process. The current outstanding loan amount is \$278,615. This loan is paid from available property taxes.

The capital assistance loan receivable of \$290,404 is due over a period of 10 years, with annual payments of \$29,025 at 0% interest. The housing loans receivable of \$11,788,706 were made for affordable housing purposes and are comprised of multiple low or no interest loans given to various developers, non-profits, and individuals to finance multi-family and single-family construction and rehabilitation projects. The funding sources for these loans are Community Development Block Grants, Affordable Housing In-Lieu fees, and former low and moderate redevelopment agency resources and are generally long term in nature (20-55 year terms).

5. LEASE RECEIVABLES/PAYABLES:

- a. Lease receivables total \$4,178,936, with \$3,892,652 in governmental and \$295,284 in business type. The governmental amount of \$3,892,652 consists of cell site leases for \$1.6 million and facilities leases for \$2.3 million which include building, concessions, and other structures. The City has 22 cell site leases which are non-exclusive with multiple providers often located on the same tower at various locations throughout the City. Monthly payments range from \$10 to \$4,660 and renewal terms are generally every 5 years. The City has 17 facilities leases with monthly payments from \$50 to \$20,000. These renew with various renewal periods of 5 to 10 years depending on the lease. Some of these facilities leases have a base rent amount, with rent due on a percentage of sales.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

The business type amount of \$295,284 is in the Golf fund and is for a building lease with a concessionaire. This lease has a term through October 2027, with terms for renewals every 5 years. The base monthly payment is currently \$8,000.

The lease deferred inflows total \$3,963,658 with the governmental fund of \$3,678,054 and \$285,604 for business type. Deferred inflows of resources related to these lease receivables will be recognized as follows:

Fiscal Year Ending June 30	Total Deferred Inflows of Resources
2025	\$ 964,355
2026	806,195
2027	607,065
2028	372,897
2029	236,162
2030-2034	404,198
2035-2039	200,011
2040-2044	200,011
Thereafter	172,764
Total	\$ 3,963,658

- b. Lease payables total \$134,414 at June 30, 2024 with a current portion of \$26,085. The lease is a five-year lease with monthly payments of \$2,876 entered into in January of 2024. The debt schedule follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 26,085	\$8,427	\$34,512
2026	27,936	6,577	34,513
2027	29,917	4,595	34,512
2028	32,040	2,472	34,512
2035	<u>18,436</u>	<u>398</u>	<u>18,834</u>
Totals	\$ <u>134,414</u>	\$ <u>22,469</u>	\$ <u>156,883</u>

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS:

The financial statements ending June 30, 2023 included the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and a subscription asset. For additional information, refer to the disclosures below.

The City has subscription-based IT agreements and liabilities related to 8 agreements. Six agreements are recorded in the Information Technology Internal Service fund, 2 agreements are for governmental funds, and one in the Water Enterprise Fund and reported in the Government-wide fund statements. The annual fixed payments range from \$8,000 to \$75,000, with interest rates ranging from 1.89% to 2.11%.

The subscription assets total \$1,369,480, with accumulated amortization of \$761,166 for a net asset value of \$608,314. Subscription Assets are for software and reported in the Capital Asset Footnote. The liability at June 30, 2024 totals \$413,823 and its principal and interest requirements are in the following table.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Principal and Interest Requirements to Maturity:

Year Ending June 30	Principal	Interest	Total
2025	\$ 208,772	\$ 13,008	\$ 221,780
2026	115,342	7,658	123,000
2027	43,837	4,163	48,000
2028	<u>45,872</u>	<u>2,128</u>	<u>48,000</u>
Total	<u>\$ 413,823</u>	<u>\$ 26,957</u>	<u>\$ 440,780</u>

7. CAPITAL ASSETS:

The City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation has been recorded. Internal Service funds predominantly service the governmental funds, accordingly, their capital assets are included in the governmental type activity.

Construction in progress consists of various street improvement projects and the rehabilitation and construction of the police substation. Construction in progress capitalized during the year consisted of the City hall remodel, multiple street projects, and various other assets. In addition, some construction in progress amounts were not capitalized if the costs did not meet capital asset thresholds.

A summary of governmental type capital assets activity for the year ending June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2023
<u>Governmental activities</u>				
Capital assets, non-depreciable:				
Land	\$ 51,458,778	\$ -	\$ -	\$ 51,458,778
Construction in progress	4,793,344	14,182,271	(11,672,141)	7,303,474
Total capital assets, non-depreciable	<u>56,252,122</u>	<u>14,182,271</u>	<u>(11,672,141)</u>	<u>58,762,252</u>
Capital assets, depreciable:				
Buildings	48,218,760	334,044	(24,962)	48,527,842
Improvements other than buildings	64,470,132	5,160,338	(32,000)	69,598,470
General equipment	10,468,319	1,369,443	(334,175)	11,503,587
Subscription assets	1,154,041	-	-	1,154,041
Infrastructure	193,291,982	4,790,751	(1,740,516)	196,342,217
Total capital assets, depreciable	<u>317,603,234</u>	<u>11,654,576</u>	<u>(2,131,653)</u>	<u>327,126,157</u>
Less accumulated depreciation/amortization:				
Buildings	(18,738,666)	(1,130,760)	17,612	(19,851,814)
Improvements other than buildings	(40,625,370)	(2,601,568)	32,000	(43,194,938)
General equipment	(8,171,606)	(662,551)	334,175	(8,499,982)
Subscription assets	(377,052)	(377,052)	-	(754,104)
Infrastructure	(92,671,489)	(5,711,552)	1,185,380	(97,197,661)
Total accum. depreciation/amortization	<u>(160,584,183)</u>	<u>(10,483,483)</u>	<u>1,569,167</u>	<u>(169,498,499)</u>
Net capital assets, depreciable	<u>157,019,051</u>	<u>1,171,093</u>	<u>(562,486)</u>	<u>157,627,658</u>
Capital assets - governmental	<u>\$ 213,271,173</u>	<u>\$ 15,353,364</u>	<u>\$ (12,234,627)</u>	<u>\$ 216,389,910</u>

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

A summary of business-type capital assets activity for the year ending June 30, 2024 for the City's is as follows:

<u>Business-type activities</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Capital assets, non-depreciable:				
Land	\$ 4,324,406	\$ -	\$ -	\$ 4,324,406
Construction in progress	4,834,378	2,274,735	(2,937,052)	4,172,061
Total capital assets, non-depreciable	<u>9,158,784</u>	<u>2,274,735</u>	<u>(2,937,052)</u>	<u>8,496,467</u>
Capital Assets, Being Depreciated:				
Buildings	7,008,987	-	-	7,008,987
Water, sewer, storm lines	122,902,592	2,194,340	(9,540)	125,087,392
Utility assets	148,938,963	1,357,627	-	150,296,590
Improvements other than buildings	3,553,749	-	-	3,553,749
Subscription assets	-	215,439	-	215,439
Machinery and equipment	8,670,076	200,595	-	8,870,671
Total capital assets, depreciable	<u>291,074,367</u>	<u>3,968,001</u>	<u>(9,540)</u>	<u>295,032,828</u>
Less Accumulated Depreciation For:				
Buildings	(2,651,410)	(1,789,811)	9,490	(4,431,731)
Water, sewer, storm lines	(49,023,048)	(3,973,115)	-	(52,996,163)
Utility assets	(81,092,240)	(146,209)	-	(81,238,449)
Improvements other than buildings	(3,178,662)	(36,144)	-	(3,214,806)
Subscription assets	-	(7,062)	-	(7,062)
Machinery and equipment	(4,377,435)	(375,054)	-	(4,752,489)
Total accumulated depreciation	<u>(140,322,795)</u>	<u>(6,327,395)</u>	<u>9,490</u>	<u>(146,640,700)</u>
Net capital assets, depreciable	<u>150,751,572</u>	<u>(2,359,394)</u>	<u>(50)</u>	<u>148,392,128</u>
Capital assets, business-type	<u>\$ 159,910,356</u>	<u>\$ (84,659)</u>	<u>\$ (2,937,102)</u>	<u>\$ 156,888,595</u>

Depreciation expense is charged to functions/programs of the primary government as follows:

<u>Function/program:</u>	<u>Governmental</u>	<u>Business-Type</u>
General government	\$ 348,035	\$ -
Police	115,044	-
Fire	233,278	-
Public works	5,308,353	-
Community development	168,122	-
Beaches, parks and recreation	3,461,799	-
Internal service	848,852	-
Water	-	1,910,536
Sewer	-	4,205,036
Golf	-	211,823
Total depreciation expense	<u>\$ 10,483,483</u>	<u>\$ 6,327,395</u>

8. INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS:

A. Interfund receivables and payables

The purpose of the interfund transactions is to make short-term and long-term interfund loans from the General Fund to various funds. These interfund loans are to provide for negative cash balances at year-end, operating

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

cash flow and the consolidation of prior long-term loans. Due to/from amounts are short term financing, which are paid within one year, and the advances are for longer term financing.

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Transit fund	\$ 1,245,945
General fund	Nonmajor governmental funds	31,483
	Total amounts	<u>\$ 1,277,428</u>

B. Interfund Transfers:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Transit Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Nonmajor Proprietary Funds</u>	
General Fund	\$ -	\$ 265,000	\$ 1,285,457	\$ -	\$ -	\$ 1,550,457
Nonmajor						
Governmental Funds	6,491,380	176,800	-	-	-	6,668,180
Water Utility Fund	25,000	-	99,847	721,618	-	846,465
Sewer Utility Fund	25,000	-	413,870	-	-	438,870
Golf Course Fund	-	-	350,000	-	-	350,000
Nonmajor Proprietary Funds	-	-	-	-	285,000	285,000
Internal Service Fund	-	-	98,011	-	-	98,011
Total	<u>\$ 6,541,380</u>	<u>\$ 441,800</u>	<u>\$ 2,247,185</u>	<u>\$ 721,618</u>	<u>\$ 285,000</u>	<u>\$ 10,236,983</u>

During the year ended June 30, 2024, the General Fund significant transfers included transfers of \$500,000 to the Street Improvement Fund Special Revenue Fund to fund future street rehabilitation, \$265,000 to support transit activities, and \$700,000 to the Reserve fund to support accrued leave and facilities maintenance reserves. Other significant transfers include a \$5.5 million and \$403,260 to address disaster relief and public safety costs in the General fund from the Capital Reserve and the Disaster Relief funds. Other significant transfers include \$721,618 from water fund to fund fleet replacement costs, \$350,000 for a restroom project costs adjacent to the Golf Course, and \$285,000 for refuse costs related to street sweeping the in the Clean Ocean fund.

9. LONG TERM LIABILITIES:

A. Long Term Debt:

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

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Direct Borrowing:</u>					
State Revolving Fund loan	\$ 9,408,238	\$ -	\$ 693,622	\$ 8,714,616	\$ 708,881
Business-type Activities Long-term Debt	<u>\$ 9,408,238</u>	<u>\$ -</u>	<u>\$ 693,622</u>	<u>\$ 8,714,616</u>	<u>\$ 708,881</u>

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Business-type:

1. State Revolving Fund loan:

On June 17, 2013, the City of San Clemente entered into a loan agreement with the California State Water Resources Control Board under the Clean Water State Revolving Fund loan program for financing construction of the Recycled Water System Expansion Project. The Recycled Water System Expansion Project includes a reclamation plant expansion, a pump station, pipelines, and the conversion of a recycled water reservoir.

A loan amount of \$14,370,000 was approved, with an interest rate at 2.2% payable with the loan to be paid over a period of 20 years. Interest during the construction period was added to the loan principal amount. Principal and interest payments started in June 2015 upon project completion. The repayment of this loan is secured by the net revenues of the Water Fund with a revenue coverage level of 110% of the annual debt service and a reserve will be established equal to one year's debt service upon the construction completion date. The revenue pledged is the net revenues of the Water Utility Fund which totaled \$3.4 million for the year ended June 30, 2024. The total pledged revenue amount cannot be estimated over the life of the loan. The loan amount outstanding at June 30, 2024 is \$8,714,616.

Annual requirements to amortize the State Revolving Fund Loan as of June 30, 2024 are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 708,881	191,721	900,602
2026	724,477	176,125	900,602
2027	740,415	160,187	900,602
2028	756,704	143,898	900,602
2029	773,351	127,251	900,602
2030-2034	4,129,574	373,437	4,503,011
2035	881,214	19,387	900,601
Totals	<u>\$ 8,714,616</u>	<u>\$ 1,192,006</u>	<u>\$ 9,906,622</u>

B. Other Long-Term Liabilities:

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

<u>Governmental Activities</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,121,399	\$ 391,143	\$ 137,648	\$ 1,374,894	\$ 412,468
Subscription liability (Note 6)	611,816	-	369,632	242,184	168,736
Lease liability (Note 5)	-	172,561	38,147	134,414	26,085
Claims and judgments payable (Note 8)	1,273,563	(370,062)	677,637	225,864	189,726
Governmental Activities Long-term Liabilities	<u>\$ 3,006,778</u>	<u>\$ 193,642</u>	<u>\$ 1,223,064</u>	<u>\$ 1,977,356</u>	<u>\$ 797,015</u>

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 461,294	\$ 425,202	\$ 377,560	\$ 508,936	\$ 152,681
Subscription liability (Note 6)	-	209,139	37,500	171,639	40,036
Business-type Activities					
Long-term Liabilities	\$ 461,294	\$ 634,341	\$ 415,060	\$ 680,575	\$ 192,717

Governmental:

1. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. This liability will be paid in future years from future resources primarily from the general fund. The amount outstanding for governmental type compensated absences at June 30, 2024 is \$1,374,894.

Business-type:

1. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. The amount outstanding for business type compensated absences at June 30, 2024 is \$508,936, which are obligations of the following funds:

Water Utility Fund	\$ 218,114
Sewer Utility Fund	173,061
Golf Course Fund	90,830
Non-major Enterprise Funds	26,931

Subscription, lease and claims liabilities

These respective liabilities are paid from the fund in which they are initially recorded. Information on each of these individually are in the Footnotes related to each liability. For subscription, lease, claims payable, and the net OPEB liability governmental activities, internal service funds have been used in prior years to liquidate such amounts.

8. **INSURANCE:**

A. Description of Self-Insurance Pool

The City is a member of the California Joint Powers Insurance Authority ("Authority"). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverage. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. Copies of the Authority financial report may be obtained from their office at 8081 Moody Street, La Palma, CA 90622.

B. Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustments. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$50 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <http://cjpia.org/coverage/risk-sharing-pools/>.

Purchased Insurance

Pollution Legal Liability Insurance – The City participates in the pollution legal liability and remediation legal liability insurance available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance – The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. San Clemente's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City's property currently has all-risk property insurance protection in the amount of \$279,626,868. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance – The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City's property currently has earthquake protection in the amount of \$148,978,392. There is a deductible of 5% of value with a minimum deductible of \$100,000.

Crime Insurance - The City purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

C. Workers' Compensation

The City was self-insured for workers' compensation prior to fiscal year 1997. In 1997, the City became fully insured through California's State Compensation Fund, and remained in that fund through fiscal year 2003. In fiscal year 2004, the City again became self-insured for workers' compensation with a self-insurance retention (SIR) level of \$300,000. Excess insurance coverage for claims above \$300,000 is provided through the CSAC Excess Insurance Authority. The City is fully reserved for self-insurance claims for the period prior to June 30, 1996 and for claims beginning in fiscal year 2004.

D. Adequacy of Protection

During the past three fiscal years, none of the Authority programs of protection experiences settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

or insured liability coverage in 2023-24. The following claims schedule includes workers' compensation and general liability claims for the past two fiscal years.

	Beginning Balance	Incurred & Changes in Estimates	Less Claim Payments	Ending Balance
2022-2023	\$ 704,839	\$ 1,108,671	\$ (539,947)	\$ 1,273,563
2023-2024	1,273,563	(370,062)	(677,637)	225,864

At June 30, 2024, the City was a defendant in a number of lawsuits arising in the ordinary course of operations which allege liability on the part of the City in connection with general liability matters. Management believes that potential losses relating to these lawsuits will not materially affect the financial position of the City.

9. PENSION AND RETIREMENT BENEFITS:

The City of San Clemente has pension plans that are administered by CalPERS and a pension plan that is administered by Milliman/Empower. The City has three distinct pension plans which are reported in the City's financial Statements. A list of the pension plans reported and the net pension liability is as follows:

<u>Pension Plan</u>	<u>Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension expense /expenditure</u>
CalPERS Miscellaneous Plan	\$ 18,420,042	\$ 8,877,633	\$ 827,328	\$ 4,576,243
CalPERS Cost Sharing Plan (Risk Pool)	11,163,735	6,269,310	3,058,301	2,033,453
City of San Clemente Employees' Retirement Plan (CSCERP)	<u>17,955,000</u>	<u>-</u>	<u>767,000</u>	<u>3,499,000</u>
Total	<u>\$ 47,538,777</u>	<u>\$ 15,146,943</u>	<u>\$ 4,652,629</u>	<u>\$ 10,108,696</u>

Pension liabilities are liquidated from funds that have salaries, which include the General Fund, Enterprise, and Internal Service funds. The Pension Plans are addressed separately by section.

1. CalPERS Pension Plan – Miscellaneous Employees

Plan Description – On June 9, 2014, the City of San Clemente transferred all active miscellaneous employees, along with their past service credit to the CalPERS Miscellaneous Plan. All qualified permanent and probationary miscellaneous employees are eligible to participate in the Miscellaneous Plans, which is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions and all other requirements are established by State statute and City resolution. Under the terms of the contract between CalPERS and the City, all full-time employees are required to participate in CalPERS and become vested in the system after five years of service. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

The CalPERS Miscellaneous Plans' provisions and benefits in effect at June 30, 2024 follow:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.50%
Required employer contribution rates	10.4%	10.4%

Employees Covered - As of June 30, 2024, 370 employees were covered by the Miscellaneous Plan.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual actuarial basis and shall be effective on the July 1 following notice of a change in the rate. Plan funding contributions is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net pension liability are summarized in the following paragraphs.

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation used the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase ⁽¹⁾	3.0% - 10.44%
Mortality ⁽²⁾	Derived from CalPERS Membership Data
Post Retirement Benefit Increase	The lesser of a contract COLA or 2.3% based on Purchasing Power

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Mortality table used was developed based on CalPERS' specific data. For more details on this table, please refer to the CalPERS 2021 Experience study.

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

is not necessary for all plans. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
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 2.3% used for this period.

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

Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2022	\$ 83,111,675	\$ 65,023,183	\$ 18,088,492
Changes in the year:			
Service cost	2,336,989	-	2,336,989
Interest on the total pension liability	5,683,274	-	5,683,274
Differences between expected and actual experience	(318,657)	-	(318,657)
Contribution – employer	-	2,463,676	(2,463,676)
Contribution - employee	-	950,633	(950,633)
Net investment income	-	4,003,562	(4,003,562)
Benefit payments	(3,190,476)	(3,190,476)	-
Administrative Expense	-	(47,815)	47,815
Net changes	4,511,130	4,179,580	331,550
Balance at June 30, 2023 (<i>measurement date</i>)	\$ 87,622,805	\$ 69,202,763	\$ 18,420,042

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

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

The following table presents the city's net pension liability for the CalPERS Miscellaneous Plan, calculated using the plan's current discount rate, as well as what the City's net pension liability if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher:

Miscellaneous Plan Sensitivity of Net Pension Liability to Discount Rate			
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability (Asset)	\$ 31,507,199	\$ 18,420,042	\$ 7,744,841

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$4,576,243. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

Description	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 578,113	(\$ 691,351)
Changes of assumptions	2,368,692	(135,977)
Net difference between projected and actual earnings	3,177,702	-
Contributions after the measurement date	2,753,126	-
Total	\$ 8,877,633	(\$ 827,328)

Contributions after the measurement date of \$2,753,126 represent contributions for the fiscal year ended June 30, 2024 and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal year. Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,410,348
2025	958,649
2026	2,559,412
2027	375,017
2028	(6,247)
Thereafter	-
Total	\$ 5,297,179

Payable to this Pension Plan - The City had contributions payable of \$99,053 at June 30, 2024.

2. CalPERS Cost Sharing Multiple-Employer Pension Plan (Safety Risk Pool)

Plan Description — 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 CalPERS. The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police, fire and marine safety) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

employer rate plan of the 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 of San Clemente only participates in the safety risk pool plan.

Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The rate plan provisions and benefits in effect at June 30, 2024 are summarized in the following table.

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	14.50%
Required employer contribution rates	26.11%	14.50%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the marine safety employees are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2024 the employer contributions to the safety risk pool plan were \$775,583.

Pension liabilities, pension expenses and pension Deferred Outflows/Inflows of Resources

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the CalPERS cost sharing plan of \$11,163,735. The City of San Clemente's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability.

GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The City of San Clemente's proportionate share of the net pension liability as of June 30, 2022, the valuation date, was calculated as follows: In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2022. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The City of San Clemente's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the City of San Clemente's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The City of San Clemente's proportionate share of the net pension liability as of June 30, 2023, the measurement date, was calculated as follows: Each risk pool's total pension liability was computed at the measurement date, June 30, 2023, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2023, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2024, was calculated by applying City of San Clemente's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2023. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The City's proportionate share of the net pension liability for the safety plan follows:

Proportion at measurement date - June 30, 2023	0.20642%
Proportion at measurement date - June 30, 2024	0.14935%
Change - Increase (Decrease)	-0.05707%

For the year ended June 30, 2024, the recognized pension expense was \$2,033,453 related to Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

Description	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 819,624	\$ 70,168
Changes of assumptions	651,530	-
Net difference between projected and actual earnings	1,527,754	-
Difference between employer contribution and proportionate share	2,494,819	36,337

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Change in employer's proportions	-	2,951,796
Contributions after measurement date	775,582	-
	\$ 6,269,310	\$ 3,058,301

Contributions after the measurement date of \$775,582 represent contributions for the fiscal year ended June 30, 2024 and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal year. Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 630,401
2026	523,243
2027	1,239,140
2028	42,643
2029	-
Thereafter	-
Total	\$ 2,435,427

Actuarial Assumptions - The total plan pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.8%
Projected Salary Increase ⁽¹⁾	4.12% - 17.97%
Mortality ⁽²⁾	Based on CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽³⁾ Depending on age, service and type of employment

⁽⁴⁾ Mortality table used was developed based on CalPERS' specific data. For more details on this table, please refer to the 2021 Experience study.

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary for all plans. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

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

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

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

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
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 2.3% used for this period.

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability for the plan, calculated using the current discount rate, as well as the City's proportionate share of the net pension liability if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher:

CalPERS Cost Sharing Multiple-Employer Plan Sensitivity of Net Pension Liability to Discount Rate			
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 18,275,265	\$ 11,163,735	\$ 5,349,552

Pension Plan Fiduciary Net Position – Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to this Pension Plan - The City had contributions payable of \$3,619 at June 30, 2024.

3. CSCERP Pension Plan – Miscellaneous Employees

Plan Description – This plan is a cost-sharing defined benefit pension plans administered by the City. This plan includes retirees, inactive and separated participants at the transition to CalPERS (June 9, 2014) and the City's joint power authority employees (Coastal Animal Services Authority). No other agencies

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

are members of this plan. Benefit provisions under the Plan are established by City ordinances and resolutions. CSCERP is reported as a Pension Trust Fund in the City's financial statements and stand-alone financial statements are not issued for the pension plan.

Benefits Provided – CSCERP 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. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CSCERP's provisions and benefits at June 30, 2024, are summarized in the following table.

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 55	52-62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	10.75%
Required employer contribution rates	19.10%	19.10%

Contributions – Contributions to the CSCERP are based on a level dollar contribution for employees with past service before the conversion of City employees to CalPERS and contributions for joint venture active employees. The employer contribution rates for all public employers are determined on an annual basis by the actuary and are effective on the July 1 each year. Funding contributions for the CSCERP is determined annually on an actuarial basis as of June 30.

The CSCERP proportionate share and the contributions allocated to each employer in FY 2024 are:

Employer	Proportion	Covered Payroll	Contributions
City of San Clemente	95.1%	\$ N/A	\$ 1,603,000
Coastal Animal Services Authority (CASA)	4.9%	404,000	168,000
Total	100.0%	\$ 404,000	\$ 1,771,000

Contributions are the estimated amount necessary to finance the cost of benefits earned by employees during the year. A City contribution of \$1,603,000 to finance past unfunded accrued liability costs was paid during the year ended June 30, 2024. During the year ended June 30, 2024 CASA contribution amounts totaled \$168,277. This contribution includes the unfunded accrued liability payment of \$58,000, \$33,108 of employee contributions, and \$77,168 of employer contributions.

Employees Covered – Employees covered at the valuation date of the CSCERP Plan are as follows:

Inactive employees or beneficiaries currently receiving benefits	131
Inactive employees entitled to but not yet receiving benefits	65
Active employees (2 PEPRA members)	5
Total	201

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Pension liabilities, pension expenses and Deferred Outflows/Inflows of Resources related to pensions

As of June 30, 2024, the City reported a net pension liability on the CSCERP for \$17,955,000. The City's net pension liability for the CSCERP is the net pension liability as of June 30, 2024. The total pension liability for CSCERP was determined by an actuarial valuation as of June 30, 2023. The City's net pension liability is based on the City's long-term share of contributions to the pension plan and the liability related to the joint venture employee's who are active under the plan. The net pension liability for CSCERP includes the City. The CASA liability amount is reported on the joint venture's financial statements.

For the year ended June 30, 2024, the recognized CSCERP plan pension expense was \$3,499,000, with the City of San Clemente's being \$3,141,000. At June 30, 2024, the City reported Deferred Inflows of resources of \$767,000, as reported in the following table. There were no Deferred Outflow of Resources.

Description	Deferred Inflows of Resources		Total
	City of San Clemente	CASA	
Net difference between projected and actual earnings	(\$ 767,000)	(\$ 39,000)	(\$ 806,000)
Total	(\$ 767,000)	(\$ 39,000)	(\$ 806,000)

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources	
	City of San Clemente	CASA
2025	(\$ 397,000)	(\$ 20,000)
2026	325,000	17,000
2027	(426,000)	(22,000)
2028	(269,000)	(14,000)
Total	(\$ 767,000)	(\$ 39,000)

Actuarial Assumptions – The total pension liability at June 30, 2023 is based on the June 30, 2021 actuarial valuation. The following actuarial assumptions were used for the CSCERP:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 – June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate ⁽¹⁾	5.50%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	2.75% per year, plus CalPERS 2000-2019 CalPERS Study
Investment Rate of Return ⁽²⁾	5.50%
Mortality	2000-2019 CalPERS Study

⁽¹⁾ Based on crossover test results.

⁽²⁾ Net of pension plan investment expenses, including inflation. See Note 3.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Discount Rate – The discount rate used to measure the total pension liability was 5.50% for the CSCERP. This is based on crossover test results with future administrative expenses increasing to 2.5% per year and future contributions based on the current funding policy. The crossover test results are presented in a detailed report available at the City of San Clemente.

The long-term expected rate of return on pension plan investments is 5.50% is based on an investment advisor study of 10-year 2021 capital market assumptions adjusted to reflect anticipated long-term results (expected returns, net of pension plan investment expense and inflation) developed for each major asset class for the plan assets. The long-term expected real rate of return and investment policy for the CSCERP assets are discussed in Note 3. These pension assets are in a trust fund reported as a fiduciary fund (Pension Trust Fund) of the City of San Clemente.

Changes in the Net Pension Liability:

The changes in the Net Pension Liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 42,565,000	\$ 24,328,000	\$ 18,237,000
Changes in the year:			
Service cost	106,000	-	106,000
Interest on the total pension liability	2,413,000	-	2,413,000
Differences between actual and expected experience	2,354,000	-	2,354,000
Change in assumptions	192,000	-	192,000
Contribution – employer	-	1,738,000	(1,738,000)
Contribution - employee	-	33,000	(33,000)
Net investment income	-	2,725,000	(2,725,000)
Benefit payments	(2,733,000)	(2,733,000)	-
Administrative expenses	-	(70,000)	70,000
Net changes	2,332,000	1,693,000	639,000
Balance at June 30, 2024	\$ 44,897,000	\$ 26,021,000	\$ 18,876,000

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability for the CSCERP, calculated using the current discount rate, and the net pension liability calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher:

CSCERP Plan Sensitivity of Net Pension Liability to Discount Rate			
	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
City of San Clemente	\$ 22,751,000	\$ 17,955,000	\$ 13,922,000
CASA	1,172,000	921,000	717,000
Net Pension Liability	\$ 23,923,000	\$ 18,876,000	\$ 14,639,000

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Pension Plan Fiduciary Net Position –CSCERP net pension liability detailed information follows:

Net Pension Liability as of June 30, 2024 (\$ amounts in thousands)		
	June 30, 2024	June 30, 2023
Total Pension Liability	\$ 44,897	\$ 42,565
Fiduciary Net Position	(26,021)	(24,328)
Net Pension Liability	18,876	18,237
Funded Status	58.0%	57.2%

Payable to this Pension Plan - At June 30, 2024, the City did not have a payable.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB):

- A. Plan Description: The City makes health care benefits available to retirees, has established a Retiree Healthcare Plan (HC Plan), and participates in an agent multiple-employer defined benefit retiree healthcare plan through which the employee may elect to continue their health care insurance benefits. This medical benefit coverage is mandated by the City's participation in the Public Employees Medical and Health Coverage Agreement ("PEMHCA") which is administered through CalPERS. The City contributes the PEMCHA minimum (currently \$157 a month) for eligible retirees and surviving spouses. In addition, dental and vision insurance coverage are offered with these costs paid by the retiree. In order to qualify for this coverage, eligible employees must complete five years of service and retire from the City.
- B. Employees Covered: As of June 30, 2023, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	180
Inactive employees receiving benefits	58
Inactive employees entitled to, but not yet receiving benefits	-
Total	238

Contributions: The HC Plan and its contribution requirements are established and may be amended by the City. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the Authority's cash contributions were \$90,000 to the trust and the payment of medical costs for retirees of \$91,696 resulting in total payments of \$181,696. On June 21, 2016 the City adopted a Resolution to enter into an agreement with CalPERS to participate in the California Employer's Retiree Benefit Trust Program (CERBT) for the purpose of prefunding obligations for past services. The CERBT is an agent multiple-employer plan used to prefund postemployment medical insurance benefits. CERBT amounts are held in an irrevocable trust and are restricted for the provision of these benefits. The assets of the CERBT are excluded from the accompanying financial statements since they are in an irrevocable trust administered by CalPERS. Contribution requirements are established by the City, with no statutory requirement to prefund OPEB liabilities. The City prefunds the plan through CERBT through measure of pay. CalPERS issues publicly available reports for CERBT which can be found on the CalPERS website.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 – June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.15%
Inflation	2.50%
Payroll Growth	2.75%, per annum
Investment Rate of Return	6.15%
Mortality Rate ⁽¹⁾	2021 CalPERS Active Mortality
Pre-Retirement Turnover ⁽¹⁾	2021 CalPERS Experience Studies
Healthcare Trend Rate	4% per annum

⁽¹⁾ CalPERS Information is available at www.calpers.ca.gov under Forms and Publication.

Investment Rate of Return - The investment rate of return was 6.15% which is based on assumed long-term return on plan assets assuming 100% funding through CERBT which is higher than the 5.70% in the prior valuation. The long-term expected rate of return on OPEB plan investments was determined using the “Building Block Method”. Rolling periods of time was used for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don’t necessarily reflect the average over time individually, but reflect the return for the asset class for the portfolio average using geometric means. The target allocation and the assumed rate of return are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	40.0 %	7.545 %
All Fixed Income	43.0 %	4.250 %
Real Estate Investment Trusts	8.0 %	7.250 %
All Commodities	4.0 %	7.545 %
Treasury Inflation Protected Securities	5.0 %	3.000 %

Discount Rate - The discount rate used to measure the total OPEB liability was 6.15%, which assumed that contributions would be sufficient to fully fund the obligation of a period not to exceed 30 years. Using historic 30-year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate, offset by investment expenses of 50 basis points the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the OPEB Plan follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	\$ 4,830,326	\$ 1,322,618	\$ 3,507,708
Changes in the year:			
Service cost	218,118	-	218,118
Interest on the total OPEB liability	274,395	-	274,395
Experience (gains)/losses	(716,401)	-	26,660
Differences between expected and actual experience	18,659	-	-
Change in assumption	(355,715)	-	277,671
Contribution – employer	-	339,551	(326,312)
Net investment income	-	50,841	190,025
Benefit payments	(269,551)	(269,551)	-
Administrative Expense	-	(388)	388
Net changes	(830,495)	120,453	(950,948)
Balance at June 30, 2023 (<i>measurement date</i>)	\$ 3,999,831	\$ 1,443,071	\$ 2,556,760

D. Sensitivity of the Net OPEB Liability to Rate Changes:

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

Sensitivity of Net Pension OPEB to Discount Rate			
	1% Decrease (5.15%)	Discount Rate (6.15%)	1% Increase (7.15%)
Net OPEB Liability	\$ 3,042,797	\$ 2,556,760	\$ 2,152,186

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

Sensitivity of Net Pension OPEB to Health Care Cost Trend Rates			
	1% Lower Trend	Valuation Trend	1% Higher Trend
Net OPEB Liability	\$ 2,075,792	\$ 2,556,760	\$ 3,151,602

E. OPEB Plan Fiduciary Net Position: CERBT is administered by the CalPERS. Copies of CalPERS annual financial report may be obtained from their executive office: 400”P” Street, Sacramento, California 95814.

F. Recognition of Deferred Outflows and Inflows of Resources:

For the fiscal year ended June 30, 2024, the Authority recognized OPEB expense of \$498,896. As of fiscal year ended June 30, 2024, the Authority reported deferred outflows of resources related to OPEB from the following sources:

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Description	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Experience (Gains)/Losses	\$ 21,812	\$ (873,641)
Assumption Changes	1,604,313	(318,271)
Investment (Gains)/Losses	136,628	-
Contributions after measurement date	181,696	-
	\$ 1,944,449	\$ (1,191,912)

Contributions after the measurement date of \$181,696 represent contributions for the fiscal year ended June 30, 2024. The \$181,696 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 91,649
2026	90,666
2027	121,158
2028	64,679
2029	57,881
Thereafter	144,808
Total	\$ 570,841

11. FUND BALANCE:

GASB 54 establishes a hierarchy for Fund Balance classifications based primarily on the extent a government is bound to observe constraints imposed upon the use of the resources for governmental funds. The following describes fund balance classifications and reflects the governmental fund balance amounts by category.

Nonspendable amounts are either (a) not in spendable form (such as inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact.

Restricted amounts have constraints to specific purposes either by a) constraint placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

Committed amounts can only be used for specific purposes pursuant to formal action of the City Council (highest level of decision-making authority) through a city charter, or an ordinance. These amounts cannot be used for any other purpose unless the City removes through subsequent similar formal action.

Assigned amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Authority for assigning fund balance is expressed by the city manager based on the City's approved policies.

Unassigned amounts are not restricted, committed or assigned to specific purposes. Only the general fund can report a positive unassigned fund balance amount. Other governmental funds can only report a negative unassigned fund balance amount.

Fund balance information for Governmental Funds is presented by classification, with the purpose, in the following table.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Governmental Fund Balances	General Fund	Transit	Non-major Funds	Total
<i>Nonspendable:</i>				
Loans	\$ 569,019	\$ -	\$ -	\$ 569,019
<i>Restricted for:</i>				
Affordable housing	-	-	14,217,020	14,217,020
Park development	-	-	1,283,231	1,283,231
Highways/streets	-	-	12,498,372	12,498,372
Drainage	-	-	3,213,908	3,213,908
Other capital projects	-	-	6,861,531	6,861,531
Other purposes	-	-	1,175,984	1,175,984
<i>Committed to:</i>				
Sustainability/Emergency	14,309,000	-	-	14,309,000
Capital projects	5,378,039	-	46,873	5,424,912
Other purposes	432,009	-	-	432,009
<i>Assigned to:</i>				
Capital projects	3,882,091	-	11,864,469	15,746,560
Other purposes	999,351	-	945,472	1,944,823
Future budget	4,661,620	-	-	4,661,620
<i>Unassigned (deficit)</i>	4,700,191	(1,476,406)	(10,208)	3,213,577
TOTAL FUND BALANCE	\$ 34,931,320	\$ (1,476,406)	\$ 52,096,652	\$ 85,551,566

Minimum Fund Balance Policy: The governing body (City Council) passed a minimum fund balance policy for the General Fund. This minimum fund balance committed by the Council is called an Emergency Reserve and is 18% of General Fund operating expenditures. In order to access the committed amounts a formal action (resolution) of the City Council must be adopted, this action would be non-routine in nature and result from unforeseen disasters, an economic downturn with more than a 10% revenue reduction, or to offset a one-time state subvention reduction. The total committed amount for the Emergency Reserve is \$14.3 million.

12. OTHER NOTE DISCLOSURES:

A. Joint Powers Agreements:

Coastal Animal Services Authority (CASA):

On October 3, 1995, the Coastal Animal Services Authority (CASA) was created by a Joint Exercise of Powers Agreement (the JPA) for the purpose of providing and operating an animal sheltering facility located within the City. The City and the City of Dana Point are members of CASA. Members of the Board of Directors consist of one voting member and an alternate appointed by the governing body of each member entity. Annually, the Board adopts a budget and determines the cost of services and rate schedule associated with the facility. CASA commenced operations on January 1, 1996. Funding of the Authority's budgeted amounts is from contributions from nonprofit organizations and charges for services. Member agencies pay for unfunded costs, which are allocated to the City of San Clemente and the City of Dana Point through the annual budget process. The assets and liabilities are reflected on the separate financial statements prepared for the Coastal Animal Services Authority. CASA's pension plan is part of the CSCERP retirement plan (see Note 9), this pension liability is reflected on the separate financial statements and is a contingent liability to the member agencies.

The assets and activity is reported as a custodial fund in the City financial statements. Separate financial statements for CASA are available and are on file within the San Clemente City Clerk's office.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

Orange County Fire Authority (OCFA):

In January 1995, the City of Tustin entered into a joint powers agreement with the Cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Villa Park, and Yorba Linda and the County of Orange (County) to create the Orange County Fire Authority. The purpose of the Authority is to provide for mutual fire protection, prevention, and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services.

The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area and on behalf of all member cities except for the Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia, and Seal Beach. The County pays all structural fees it collects to the Authority. The Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia, and Seal Beach are considered "cash contract cities" and, accordingly, make cash contributions based on the Authority's annual budget.

The financial statements of the OCFA are available at 1 Fire Authority Road, Irvine, California.

B. Successor Agency Trust for Assets of Former Redevelopment Agency:

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 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 San Clemente which reported a redevelopment agency within the reporting entity of the City as a blended component unit. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency through City resolution #12-04. The assets and activities of the Successor Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In accordance with the timeline set forth in the Bill all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. The City, as the Successor Agency, has distributed assets, completed transfers of real property assets as part of an approved Long Range Property Management Plan, received a Finding of Completion from the State, and received approval of a Last and Final Recognized Obligation Payment Schedule (ROPS).

The only outstanding loan receivable is an outstanding General fund loan to be paid through future revenues. All former redevelopment agency obligations are being paid as approved in the Last and Final ROPS and it is anticipated the dissolution will be finalized by June 2025.

C. Commitments and Contingencies

The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the City's opinion that the outcome of the majority of these cases will have no material adverse effect on the net financial position of the City.

The City has received Federal and State funds for specific purposes that are subject to review by the grantor agencies. These programs are subject to audit by the grantor agencies and upon further examination by the grantors, certain costs could be disallowed. The City expects any such amounts to be immaterial.

The City has outstanding commitments in the amount of \$17.7 million as of June 30, 2024 related to construction and other contractual arrangements.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2024

D. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

- Statement No. 101, "*Compensated Absences*." The requirement of this statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.
- Statement No. 102 "*Certain Risk Disclosures*." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.



Required Supplementary Information

CITY OF SAN CLEMENTE
Required Supplementary Information
June 30, 2024

BUDGETARY INFORMATION:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Council meetings to obtain taxpayer comments.
3. Prior to July 1, the budget is adopted by Council action. The budget includes amounts for revenues that, along with the appropriations, compute the budgetary fund balance.
4. The City Manager is authorized to transfer appropriated funds between major expenditure categories within departments. However, any revisions that alter the total appropriations of any department must be approved by the City Council. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
6. Budgets for the governmental funds are adopted on a basis substantially consistent with generally accepted accounting principles. Under the GAAP basis of accounting, the allocations of General Fund overhead are treated as program reimbursements offsetting expenditures. In the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual comparison General Fund budgeted service charge revenues were reduced in the amount of \$2,659,230 and the department budgets were reduced by \$2,659,230 as a result of these program reimbursements. Budgeted amounts are as originally adopted and as further amended by the City Council.

The General Fund has legally adopted budgets. The original budget, final budget and actual amounts are presented on the following pages for the General Fund. The Local Transit Special Revenue Fund is a major fund and the original and final budgets are presented in the supplementary information.

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	\$ 63,798,230	\$ 63,773,230	\$ 64,266,217	\$ 492,987
Permits and fees	1,259,580	1,309,580	1,519,620	210,040
Fines and forfeits	524,300	524,300	681,956	157,656
Investment and rentals	3,341,330	3,341,330	4,206,604	865,274
Intergovernmental	943,960	1,002,960	957,855	(45,105)
Charges for services	7,007,810	7,071,580	7,516,382	444,802
Other	83,840	83,840	133,276	49,436
Total Revenues	76,959,050	77,106,820	79,281,910	2,175,090
Expenditures:				
General government:				
Administration				
City council	100,449	100,449	82,112	18,337
City manager	572,475	610,755	428,661	182,094
City clerk	893,618	903,048	559,336	343,712
Finance and administrative services	2,610,855	2,629,595	2,399,815	229,780
City general	4,956,243	4,956,243	3,709,475	1,246,768
Police	23,027,990	22,986,390	21,392,749	1,593,641
Fire	13,855,630	13,871,630	13,843,570	28,060
Marine safety	1,995,860	2,011,640	1,901,716	109,924
Public works	24,808,065	25,215,635	21,890,514	3,325,121
Community development	7,416,580	7,603,060	5,978,212	1,624,848
Beaches, parks and recreation	6,354,125	6,419,205	6,055,996	363,209
Capital outlay	9,679,430	10,313,450	2,738,213	7,575,237
Total Expenditures	96,271,320	97,621,100	80,980,369	16,640,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,312,270)	(20,514,280)	(1,698,459)	18,815,821
Other Financing Sources (Uses):				
Transfers in	983,260	9,565,820	6,541,380	(3,024,440)
Transfers out	(1,480,000)	(1,480,000)	(1,550,457)	(70,457)
Total Other Financing Sources (Uses)	(496,740)	8,085,820	4,990,923	(3,094,897)
Net Change in Fund Balance	(19,809,010)	(12,428,460)	3,292,464	15,720,924
Fund Balance, Beginning of Year	31,638,856	31,638,856	31,638,856	-
Fund Balance, End of Year	\$ 11,829,846	\$ 19,210,396	\$ 34,931,320	\$ 15,720,924

CITY OF SAN CLEMENTE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Local Transit Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Investment and rentals	\$ -	\$ -	\$ (27,715)	\$ (27,715)
Intergovernmental	<u>1,611,150</u>	<u>1,611,150</u>	<u>300,910</u>	<u>(1,310,240)</u>
Total Revenues	<u>1,611,150</u>	<u>1,611,150</u>	<u>273,195</u>	<u>(1,337,955)</u>
Expenditures:				
Current:				
Public works	<u>1,151,230</u>	<u>1,151,230</u>	<u>1,266,734</u>	<u>(115,504)</u>
Total Expenditures	<u>1,151,230</u>	<u>1,151,230</u>	<u>1,266,734</u>	<u>(115,504)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	459,920	459,920	(993,539)	(1,453,459)
Other Financing Sources (Uses):				
Transfers in	<u>265,000</u>	<u>441,800</u>	<u>441,800</u>	<u>-</u>
Net Change in Fund Balance	724,920	901,720	(551,739)	(1,453,459)
Fund Balance, Beginning of Year	<u>(924,667)</u>	<u>(924,667)</u>	<u>(924,667)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (199,747)</u></u>	<u><u>\$ (22,947)</u></u>	<u><u>\$ (1,476,406)</u></u>	<u><u>\$ (1,453,459)</u></u>

CITY OF SAN CLEMENTE
REQUIRED SUPPLEMENTARY INFORMATION
CALPERS MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

CalPERS Miscellaneous Plan	2015	2016	2017	2018
Total Pension Liability				
Measurement period	06/09/2014- 06/30/2014	06/30/2014- 06/30/2015	06/30/2015- 06/30/2016	06/30/2016- 06/30/2017
Service costs	\$ 73,966	\$ 1,963,306	\$ 2,008,285	\$ 2,069,135
Interest	155,554	2,781,569	3,263,539	3,641,180
Assumption changes	-	(766,723)	-	3,333,358
Difference between expected and actual experience	-	-	2,030,812	617,423
Benefit payments	(269)	(191,979)	(803,833)	(1,172,337)
Net change	229,251	3,786,173	6,498,803	8,488,759
Total pension liability at beginning of year	36,012,184	36,241,435	40,027,608	46,526,411
Total pension liability at end of year	<u>\$ 36,241,435</u>	<u>\$ 40,027,608</u>	<u>\$ 46,526,411</u>	<u>\$ 55,015,170</u>
Plan Fiduciary Net Position				
Additions:				
Employer contributions	\$ 61,744	\$ 1,631,580	\$ 1,601,269	\$ 1,156,188
Employee contributions	34,783	1,029,781	902,113	920,152
Net investment income (loss)	681	808,626	264,062	4,220,378
Total additions	97,208	3,469,987	2,767,444	6,296,718
Deductions:				
Benefit payments	(269)	(191,979)	(803,833)	(1,172,337)
Other miscellaneous income (expense)	-	-	-	-
Administration Expenses	-	(40,275)	(21,871)	(55,848)
Total deductions	(269)	(232,254)	(825,704)	(1,228,185)
Net change	96,939	3,237,733	1,941,740	5,068,533
Fiduciary net position - beginning of year (1)	32,550,000	32,646,939	35,884,672	37,826,412
Fiduciary net position - end of year	<u>\$ 32,646,939</u>	<u>\$ 35,884,672</u>	<u>\$ 37,826,412</u>	<u>\$ 42,894,945</u>
Net Pension Liability	<u>\$ 3,594,496</u>	<u>\$ 4,142,936</u>	<u>\$ 8,699,999</u>	<u>\$ 12,120,225</u>
Funded status	90.08%	89.65%	81.30%	77.97%
Covered payroll	\$ 13,181,126	\$ 13,576,560	\$ 13,902,979	\$ 13,078,411
Net pension liability as a % of payroll	27.27%	30.52%	62.58%	92.67%

Notes to schedule:

Benefit changes: None

Changes in assumptions:

In 2023, the inflation rate was adjusted from 2.5% to 2.3%, the payroll growth changed to 2.8%, the a CalPERS 2021 Experience study for mortality was implemented. In 2022, the discount rate reduced from 7.15% to 6.90% based on long-term market from 2.80% to 2.75% 2020, inflation was adjusted from 2.75% to 2.5%. In 2019, there were no changes. In 2018, demographic assumptions and payroll growth changed assumptions and the inflation rate changed based on the 2017 CalPERS Experience Study and Review of Actuarial Assumptions. There were no discount rate changes. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expenses to 7.65% (without administrative expenses). The discount rate was 7.5% in 2014.

* - Fiscal year 2015 was the 1st year of implementation

2019	2020	2021	2022	2023	2024
06/30/2017- 06/30/2018	06/30/2018- 06/30/2019	06/30/2019- 06/30/2020	06/30/2020- 06/30/2021	06/30/2021- 06/30/2022	06/30/2021- 06/30/2022
\$ 2,204,909	\$ 2,292,115	\$ 2,361,018	\$ 2,439,336	\$ 2,445,788	\$ 2,336,989
3,931,102	4,331,482	4,681,555	5,042,559	5,383,029	5,683,274
(513,727)	-	-	-	3,438,026	-
103,318	1,080,111	150,532	200,451	(670,406)	(318,657)
(1,453,535)	(1,866,474)	(1,958,421)	(2,507,951)	(3,018,312)	(3,190,476)
4,272,067	5,837,234	5,234,684	5,174,395	7,578,125	4,511,130
55,015,170	59,287,237	65,124,471	70,359,155	75,533,550	83,111,675
<u>\$ 59,287,237</u>	<u>\$ 65,124,471</u>	<u>\$ 70,359,155</u>	<u>\$ 75,533,550</u>	<u>\$ 83,111,675</u>	<u>\$ 87,622,805</u>
\$ 1,327,549	\$ 1,695,757	\$ 1,966,209	\$ 2,403,086	\$ 4,350,350	\$ 2,463,676
959,224	1,046,219	1,038,407	1,018,322	927,992	950,633
3,635,909	3,111,663	2,558,760	12,501,539	(5,211,575)	4,003,562
<u>5,922,682</u>	<u>5,853,639</u>	<u>5,563,376</u>	<u>15,922,947</u>	<u>66,767</u>	<u>7,417,871</u>
(1,453,535)	(1,866,474)	(1,958,421)	(2,507,951)	(3,018,312)	(3,190,476)
(127,043)	109	-	-	-	-
(66,842)	(33,662)	(72,072)	(54,599)	(42,371)	(47,815)
<u>(1,647,420)</u>	<u>(1,900,027)</u>	<u>(2,030,493)</u>	<u>(2,562,550)</u>	<u>(3,060,683)</u>	<u>(3,238,291)</u>
4,275,262	3,953,612	3,532,883	13,360,397	(2,993,916)	4,179,580
42,894,945	47,170,207	51,123,819	54,656,702	68,017,099	65,023,183
<u>\$ 47,170,207</u>	<u>\$ 51,123,819</u>	<u>\$ 54,656,702</u>	<u>\$ 68,017,099</u>	<u>\$ 65,023,183</u>	<u>\$ 69,202,763</u>
<u>\$ 12,117,030</u>	<u>\$ 14,000,652</u>	<u>\$ 15,702,453</u>	<u>\$ 7,516,451</u>	<u>\$ 18,088,492</u>	<u>\$ 18,420,042</u>
79.56%	78.50%	77.68%	90.05%	78.24%	78.98%
\$ 14,023,462	\$ 14,498,796	\$ 15,311,404	\$ 15,727,505	\$ 14,252,842	\$ 13,714,727
86.41%	96.56%	102.55%	47.79%	126.91%	134.31%

CITY OF SAN CLEMENTE
REQUIRED SUPPLEMENTARY INFORMATION
CALPERS MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

Fiscal Year End	2015	2016	2017	2018
CalPERS Miscellaneous				
Actuarially determined contribution	\$ 1,631,580	\$ 1,601,269	\$ 1,156,188	\$ 1,327,549
Contributions in relation to the actuarially determined contribution	(1,631,580)	(1,601,269)	(1,156,188)	(1,327,549)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 13,576,560	 \$ 13,902,979	 \$ 13,078,411	 \$ 14,023,462
Contributions as a percentage of covered payroll	12.02%	11.52%	8.84%	9.47%

Notes to Schedule:

The actuarial method and assumptions used to set the actuarially determined contributions for the measurement period ending June 30, 2023 were derived from the June 30, 2021 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal cost
Actuarial assumptions:	
Discount rate	6.900%
Inflation	2.300%
Salary increases	Varies by Entry age and Service
Payroll growth	2.800%
Investment rate of return (net of administrative)	6.900%
Retirement Age	CalPERS experience study
Mortality rate table	CalPERS experience study

* - Fiscal year 2015 was the 1st year of implementation

2019	2020	2021	2022	2023	2024
\$ 1,655,757	\$ 1,937,126	\$ 2,218,086	\$ 2,270,350	\$ 2,463,676	\$ 2,714,623
(1,695,757)	(1,966,283)	(2,403,086)	(4,350,350)	(2,463,676)	(2,753,126)
<u>\$ (40,000)</u>	<u>\$ (29,157)</u>	<u>\$ (185,000)</u>	<u>\$ (2,080,000)</u>	<u>\$ -</u>	<u>\$ (38,503)</u>
\$ 14,498,796	\$ 15,311,404	\$ 15,727,505	\$ 14,252,842	\$ 13,714,727	\$ 15,349,353
11.70%	12.84%	15.28%	30.52%	17.96%	17.94%

CITY OF SAN CLEMENTE
REQUIRED SUPPLEMENTARY INFORMATION
CALPERS COST SHARING PLAN
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

CalPERS Marine and Public Safety (Cost Sharing Plan)	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Proportion of the net pension liability (NPL)	0.143064%	0.15520%	0.14966%	0.14739%
Proportionate share of the net pension liability	\$ 8,902,125	\$ 10,652,582	\$ 12,949,773	\$ 14,617,389
Covered payroll	\$ 421,077	\$ 422,372	\$ 436,330	\$ 461,718
Proportionate share of NPL as a % of payroll	2114.13%	2522.09%	2967.89%	3165.87%
Proportionate share of the net position as a % of plan pension liability	79.82%	78.40%	73.36%	71.66%

SCHEDULE OF CONTRIBUTIONS

CalPERS Marine and Public Safety (Cost Sharing Plan)	2015	2016	2017	2018
Contributions for the fiscal year ending:	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Actuarially determined contribution (ADC)	\$ 523,947	\$ 582,650	\$ 728,124	\$ 1,171,264
Contributions in relation to the ADC	(523,947)	(1,082,650)	(728,124)	(1,171,264)
Contribution Deficiency (Excess)	\$ -	\$ (500,000)	\$ -	\$ -
Covered payroll	\$ 422,372	\$ 436,330	\$ 461,718	\$ 490,163
Contributions as a percentage of covered payroll	124.05%	248.13%	157.70%	238.95%

Notes:

Benefit changes. None

Changes in assumptions:

In 2023, the inflation rate was adjusted from 2.5% to 2.3%, the payroll growth changed to 2.8%, the a CalPERS 2021 Experience study for mortality was implemented. In 2022, the discount rate reduced from 7.15% to 6.90% based on long-term market from 2.80% to 2.75% 2020, inflation was adjusted from 2.75% to 2.5%. In 2019, there were no changes. In 2018, demographic assumptions and payroll growth changed assumptions and the inflation rate changed based on the 2017 CalPERS Experience Study and Review of Actuarial Assumptions. There were no discount rate changes. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expenses to 7.65% (without administrative expenses). The discount rate was 7.5% in 2014.

Funding Valuation date: June 30, 2021

Measurement date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry-age normal cost

Actuarial assumptions:

Discount rate 6.900%

Inflation 2.3.%

Salary increases Varies by Entry age and Service

Investment rate of return (net of administrative) 6.900%

Mortality rate table CalPERS experience study

Post retirement benefit COLA up to 2.3% based on purchasing power

* - Fiscal year 2015 was the 1st year of implementation

2019	2020	2021	2022	2023	2024
<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
0.15244%	0.14760%	0.13982%	0.16537%	0.20642%	0.14935%
\$ 14,689,566	\$ 15,124,475	\$ 15,213,067	\$ 8,943,624	\$ 14,184,445	\$ 11,163,735
\$ 490,163	\$ 500,521	\$ 435,303	\$ 437,563	\$ 476,851	\$ 485,383
2996.87%	3021.75%	3494.82%	2043.96%	2974.61%	2299.98%
71.17%	70.43%	70.10%	82.57%	72.61%	78.47%

2019	2020	2021	2022	2023	2024
<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 1,354,976	\$ 1,332,926	\$ 1,466,600	\$ 1,466,845	\$ 1,365,701	\$ 725,582
(1,489,979)	(1,903,221)	(2,070,779)	(3,295,608)	(4,515,701)	(775,582)
<u>\$ (135,003)</u>	<u>\$ (570,295)</u>	<u>\$ (604,179)</u>	<u>\$ (1,828,763)</u>	<u>\$ (3,150,000)</u>	<u>\$ (50,000)</u>
\$ 500,521	\$ 435,303	\$ 437,563	\$ 476,851	\$ 485,383	\$ 517,012
297.69%	437.22%	473.25%	691.12%	930.34%	150.01%

CITY OF SAN CLEMENTE
REQUIRED SUPPLEMENTARY INFORMATION
CSCERP PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years
(dollar amount in thousands)

	2015	2016	2017	2018
Total Pension Liability (2)				
Discount Rate	7.25%	7.25%	7.25%	6.25%
Service Costs	\$ 78	\$ 73	\$ 75	\$ 107
Interest	2,071	2,173	2,214	2,148
Experience Losses (Gains)	-	48	-	611
Assumption Changes	-	836	-	2,774
Benefit Payments	(1,606)	(1,640)	(1,723)	(2,028)
Net Change	543	1,490	566	3,612
Total Pension Liability at Beginning of Year	29,289	29,832	31,322	31,888
Total Pension Liability at End of Year	29,832	31,322	31,888	35,500
Plan Fiduciary Net Position (2)				
Additions:				
Employer Contributions	\$ 995	\$ 1,001	\$ 1,188	\$ 1,206
Employee Contributions	32	33	35	37
Net Investment Income (Loss)	413	(235)	2,278	1,203
Total Additions	1,440	799	3,501	2,446
Deductions:				
Benefit Payments	(1,606)	(1,640)	(1,723)	(2,028)
Administration Expenses	(53)	(65)	(34)	(26)
Total Deductions	(1,659)	(1,705)	(1,757)	(2,054)
Net Change	(219)	(906)	1,744	392
Fiduciary Net Position - Beginning of Year	19,594	19,375	18,469	20,213
Fiduciary Net Position - End of Year	\$ 19,375	\$ 18,469	\$ 20,213	\$ 20,605
Total Pension Liability (2)	\$ 29,284	\$ 29,832	\$ 31,888	\$ 35,500
Fiduciary Net Position - End of Year	19,375	18,469	20,213	20,605
Net Pension Liability	9,909	11,363	11,675	14,895
Funded Status	66.2%	61.9%	59.0%	58.0%
Covered Payroll (1)	451	467	488	520
Net Pension Liability % Payroll	2197%	2433%	2752%	2864%

Notes:

- (1) - Represents only Coastal Animal Services Authority, since City active employees are in CalPERS.
- (2) - The City's proportionate share of the contributions and the liability is 95.1%, the Coastal Animal Services Authority proportion represents 4.9%.

N/A - Not Available

2019	2020	2021	2022	2023	2024
6.25%	6.25%	5.75%	5.50%	5.50%	5.50%
\$ 110	\$ 123	\$ 127	\$ 142	\$ 146	\$ 106
2,159	2,382	2,392	2,285	2,285	2,413
-	3,390	-	276	-	2,354
-	161	1,917	935	-	192
(2,131)	(2,385)	(2,349)	(2,385)	(2,515)	(2,733)
138	3,671	2,087	1,253	(84)	2,332
35,500	35,638	39,309	41,396	42,649	42,565
35,638	39,309	41,396	42,649	42,565	44,897
\$ 1,507	\$ 1,512	\$ 2,418	\$ 1,918	\$ 1,797	\$ 1,738
39	40	41	34	35	33
1,088	656	5,104	(2,528)	2,066	2,725
2,634	2,208	7,563	(576)	3,898	4,496
(2,131)	(2,385)	(2,349)	(2,385)	(2,515)	(2,733)
(44)	(40)	(52)	(54)	(49)	(70)
(2,175)	(2,425)	(2,401)	(2,439)	(2,564)	(2,803)
459	(217)	5,162	(3,015)	1,334	1,693
20,605	21,064	20,847	26,009	22,994	24,328
\$ 21,064	\$ 20,847	\$ 26,009	\$ 22,994	\$ 24,328	\$ 26,021
\$ 35,638	\$ 39,309	\$ 41,396	\$ 42,649	\$ 42,565	\$ 44,897
21,064	20,847	26,009	22,994	24,328	26,021
14,574	18,462	15,387	19,655	18,237	18,876
59.1%	53.0%	62.8%	53.9%	57.2%	58.0%
530	546	549	477	443	404
2750%	3381%	2803%	4121%	4117%	4672%

CITY OF SAN CLEMENTE
REQUIRED SUPPLEMENTARY INFORMATION
CSCERP PLAN
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS

Last Ten Fiscal Years
(dollar amount in thousands)

	2015	2016	2017	2018
Contributions				
City of San Clemente	\$ 915	\$ 937	\$ 1,099	\$ 1,101
Coastal Animal Services Authority	80	64	89	105
Actuarially determined contribution	<u>\$ 995</u>	<u>\$ 1,001</u>	<u>\$ 1,188</u>	<u>\$ 1,206</u>
Contributions in relation the actuarially determined contribution	<u>\$ 995</u>	<u>\$ 1,001</u>	<u>\$ 1,188</u>	<u>\$ 1,206</u>
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	451	467	488	520
Contributions as a % of covered payroll	221%	214%	243%	232%
Investment Returns				
Annual money-weighted rate of return, net of investment expense	2.80%	-1.60%	12.55%	5.94%

CSCERP had no benefit changes during the year.

Significant Actuarial Methods and Assumptions are:

Valuation date	6/30/2021
Actuarial cost method	Entry Age Normal - Level % of Payroll
Amortization method	Level dollar amount
Amortization period	20 year closed period, on average 13 years remaining
Asset method	Market value of assets
Discount rate	5.50%
Inflation rate	2.50%
Payroll growth	2.75%
Salary increases	2.75%
Mortality	CalPERS 1997-2015 Experience Study
Retirement	CalPERS 1997-2015 Experience Study
Disability and turnover	CalPERS 1997-2015 Experience Study

The July 1, 2021 actuarial valuation changed the discount rate to 5.5%, general inflation to 2.5%, and payroll payroll increases to 2.75%. The July 1, 2019 actuarial valuation discount rate was changed from 7.25% to 6.25% and the inflation rate was changed from 3.0% to 2.75%.

2019	2020	2021	2022	2023	2024
\$ 1,360	\$ 1,361	\$ 1,639	\$ 1,681	\$ 1,602	\$ 1,603
147	151	270	177	143	168
\$ 1,507	\$ 1,512	\$ 1,909	\$ 1,858	\$ 1,745	\$ 1,771
\$ 1,507	\$ 1,512	\$ 2,459	\$ 1,918	\$ 1,797	\$ 1,771
-	-	(550)	(60)	(52)	-
530	546	549	477	443	404
284%	277%	448%	402%	406%	438%
5.30%	3.13%	24.21%	-9.68%	8.88%	11.11%

CITY OF SAN CLEMENTE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

	2018	2019	2020	2021
	06/30/2016- 06/30/2017	06/30/2017- 06/30/2018	06/30/2018- 06/30/2019	06/30/2019- 06/30/2020
Total OPEB Liability				
Measurement period				
Service costs	\$ 50,595	\$ 51,986	\$ 53,416	\$ 183,718
Interest	108,676	115,420	121,715	259,361
Experience losses (gains)	-	-	(67,212)	(13,598)
Assumption changes	-	-	2,082,632	-
Difference between expected and actual experience	-	-	10,012	-
Benefit payments	(44,716)	(69,099)	(83,472)	(189,079)
Net change	114,555	98,307	2,117,091	240,402
Total OPEB liability at beginning of year	1,669,701	1,784,256	1,882,563	3,999,654
Total OPEB liability at end of year	<u>\$ 1,784,256</u>	<u>\$ 1,882,563</u>	<u>\$ 3,999,654</u>	<u>\$ 4,240,056</u>
Plan Fiduciary Net Position				
Additions:				
Employer contributions	\$ 100,022	\$ 121,599	\$ 135,972	\$ 248,029
Net investment income (loss)	50,662	50,099	64,912	63,720
Total additions	150,684	171,698	200,884	311,749
Deductions:				
Benefit payments	(44,716)	(69,099)	(83,472)	(189,079)
Administration Expenses	(372)	(1,497)	(196)	(523)
Total deductions	(45,088)	(70,596)	(83,668)	(189,602)
Net change	105,596	101,102	117,216	122,147
Fiduciary net position - beginning of year	703,102	808,698	909,800	1,027,016
Fiduciary net position - end of year	<u>\$ 808,698</u>	<u>\$ 909,800</u>	<u>\$ 1,027,016</u>	<u>\$ 1,149,163</u>
Net OPEB Liability	<u>\$ 975,558</u>	<u>\$ 972,763</u>	<u>\$ 2,972,638</u>	<u>\$ 3,090,893</u>
Funded status	45.32%	48.33%	25.68%	27.10%
Covered payroll	\$ 14,832,279	\$ 15,575,172	\$ 16,309,527	\$ 15,592,146
Net OPEB pension liability as a % of covered-employee payroll	6.58%	6.25%	18.23%	19.82%

Notes to schedule:Benefit changes. NoneChanges in assumptions.

In FY 2020, the addition of the implicit subsidy was included as an assumption change. There was no change in assumptions in FY 2021. In FY 2022, assumptions changed related to the the discount rate/investment rate (6.25% to 5.90%), inflation rate (2.5%) and the payroll growth rate (2.75%).

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

2022	2023	2024
06/30/2020- 06/30/2021	06/30/2021- 06/30/2022	06/30/2022- 06/30/2023
\$ 188,770	\$ 191,574	\$ 218,118
281,739	268,923	274,395
-	26,660	(716,401)
131,331	277,671	(355,715)
(281,508)	-	18,659
(238,578)	(256,312)	(269,551)
81,754	508,516	(830,495)
4,240,056	4,321,810	4,830,326
<u>\$ 4,321,810</u>	<u>\$ 4,830,326</u>	<u>\$ 3,999,831</u>
\$ 303,578	\$ 326,312	\$ 339,551
229,275	(190,025)	50,841
<u>532,853</u>	<u>136,287</u>	<u>390,392</u>
(238,578)	(256,312)	(269,551)
(423)	(372)	(388)
<u>(239,001)</u>	<u>(256,684)</u>	<u>(269,939)</u>
293,852	(120,397)	120,453
1,149,163	1,443,015	1,322,618
<u>\$ 1,443,015</u>	<u>\$ 1,322,618</u>	<u>\$ 1,443,071</u>
<u>\$ 2,878,795</u>	<u>\$ 3,507,708</u>	<u>\$ 2,556,760</u>
33.39%	27.38%	36.08%
\$ 15,575,558	\$ 15,437,906	\$ 15,866,365
18.48%	22.72%	16.11%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - OPEB

Fiscal Year Ended June 30	2018	2019	2020	2021
Actuarially determined contribution	\$ 121,599	\$ 135,972	\$ 248,029	\$ 145,642
Contributions in relation to the actuarially determined contribution	(121,599)	(135,972)	(248,029)	(145,642)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,832,279	\$ 15,575,172	\$ 16,309,527	\$ 15,592,146
Contributions as a percentage of covered payroll	0.82%	0.87%	1.52%	0.93%

The actuarial method and assumptions used to set the actuarially determined contributions for the measurement period ending June 30, 2022 were derived from the June 30, 2022 actuarial valuation report.

Actuarial cost method

Entry-age normal cost

Discount rate	5.70%
Inflation	2.50%
Payroll growth	2.75%
Investment rate of return (net of administrative)	5.70%
Pre-Retirement Turnover	CalPERS Experience Studies
Mortality rate table	2017 CalPERS Active Mortality
Health Care Trend Rate	4.00%

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<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 169,455	\$ 169,250	\$ 181,696
<u>(169,455)</u>	<u>(169,250)</u>	<u>(181,696)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,575,558	\$ 15,437,906	\$ 15,866,365
1.09%	1.10%	1.15%



Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specific purposes.

Gas Tax Fund - This fund is used to account for revenues and expenditures apportioned under the Street and Highways Code of the State of California. Expenditures may be made for any street-related purpose in the City's system of streets, including maintenance thereof.

Air Quality Improvement Fund – This fund is used to account for revenues and expenditures relating to the reduction of vehicle pollution.

Street Improvement Fund – This fund is used to account for revenues and expenditures related to the rehabilitation of City streets.

Police Grants Fund – This fund is used to account for federal and state police grants, donations to Police Services and narcotic forfeiture monies.

Miscellaneous Grants Fund – This fund is used to account for various grants, including federal grants received from the Department of Housing and Urban Development (HUD). The HUD Grants are to be used for the development of a viable community by providing decent housing, a suitable living environment and expanding economic opportunities, principally for low and moderate income individuals.

Local Cable Infrastructure Fund – This fund is used to account for funds received from Local Cable Companies (video service franchises) used for equipment and infrastructure needs for public, educational, and government programming.

Local Transit Fund – This fund is used to account for funds received by Measure M and other grants for the San Clemente Rides and Trolley transit program costs.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds.

Developers Improvement Fund – This fund is used to account for the proceeds of settlements from developers and the future costs of maintaining and/or improving the streets or other infrastructure in the related development tracts.

Public Facilities Construction Fund - This capital projects fund is used to account for developer fees collected to provide for future public facilities necessitated by new development and expenditures for the construction of public safety buildings or equipment and public facilities.

Reserve Fund – This fund is used to account for expenditures of Capital Equipment Replacement, Facilities Maintenance Reserves, Park Asset Reserves and the Accrued Leave Reserve.

Low/Moderate Income Housing Fund – This fund is used to account for the former Redevelopment Agency low and moderate income assets and agreements, including capital assistance loans for low to moderate income development.

In-Lieu Housing Fund – This fund is used to account for receipts from developers who pay in-lieu fees in place of constructing affordable housing unit. These receipts are used to fund development agreements, including capital assistance loans for low to moderate income development.

Local Drainage Facilities Fund – This fund is used to account for the drainage fees collected to defray the cost of designing and constructing local drainage facilities and the expenditures for those purposes.

Regional Circulation Financing and Phasing Program (RCFPP) Fund – This fund is used to account for the established RCFPP traffic impact fee schedule to be assessed on new development on certain benefit zones within the City.

Park Acquisition and Development Capital Project Fund – This fund is used to account for the revenues received from developer fees and the expenditures for the acquisition, construction, improvement or renovation of City-owned parks.



CITY OF SAN CLEMENTE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		
	Gas Tax	Air Quality Improvement	Street Improvement
<u>ASSETS:</u>			
Cash and investments	\$ 6,977,115	\$ -	\$ 3,703,962
Receivables (net of allowances for uncollectibles):			
Accounts receivable	-	267,343	215,522
Interest receivable	44,669	-	23,713
Due from other governments	457,314	254,166	-
Loans receivable	-	-	-
Total assets	<u>\$ 7,479,098</u>	<u>\$ 521,509</u>	<u>\$ 3,943,197</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 15,564	\$ -	\$ 177,304
Accrued wages	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	-	31,483	-
Total liabilities	<u>15,564</u>	<u>31,483</u>	<u>177,304</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - receivables	-	500,234	-
Total deferred inflows of resources	<u>-</u>	<u>500,234</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Restricted			
Capital projects	7,463,534	-	3,765,893
Other purposes	-	-	-
Committed			
Capital projects	-	-	-
Assigned			
Capital projects	-	-	-
Other purposes	-	-	-
Unassigned	-	(10,208)	-
Total fund balances	<u>7,463,534</u>	<u>(10,208)</u>	<u>3,765,893</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,479,098</u>	<u>\$ 521,509</u>	<u>\$ 3,943,197</u>

Special Revenue Funds

Police Grants	Miscellaneous Grants	Local Cable Infrastructure	Disaster Relief	Building Homes & Jobs Act
\$ 297,011	\$ 28,929	\$ 1,249,615	\$ 437,808	\$ 145,875
-	-	37,487	-	-
1,901	-	8,000	-	919
-	23,549	-	-	-
-	367,196	-	-	-
<u>\$ 298,912</u>	<u>\$ 419,674</u>	<u>\$ 1,295,102</u>	<u>\$ 437,808</u>	<u>\$ 146,794</u>
\$ 14,198	\$ 11,697	\$ -	\$ 98,815	\$ 61
-	-	-	-	2,433
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>14,198</u>	<u>11,697</u>	<u>-</u>	<u>98,815</u>	<u>2,494</u>
-	-	-	-	-
-	-	-	-	-
-	-	1,295,102	-	-
284,714	407,977	-	338,993	144,300
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>284,714</u>	<u>407,977</u>	<u>1,295,102</u>	<u>338,993</u>	<u>144,300</u>
<u>\$ 298,912</u>	<u>\$ 419,674</u>	<u>\$ 1,295,102</u>	<u>\$ 437,808</u>	<u>\$ 146,794</u>

(Continued)

CITY OF SAN CLEMENTE
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2024

	Capital Projects Funds		
	Developers Improvement	Public Facilities Construction	Reserve
<u>ASSETS:</u>			
Cash and investments	\$ 5,385,144	\$ 1,616,651	\$ 12,599,216
Receivables (net of allowances for uncollectibles):			
Accounts receivable	-	-	217,926
Interest receivable	34,477	10,350	80,663
Due from other governments	-	-	-
Loans receivable	-	-	-
Total assets	<u>\$ 5,419,621</u>	<u>\$ 1,627,001</u>	<u>\$ 12,897,805</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ 1,533	\$ 5,400
Accrued wages	-	-	-
Unearned revenue	-	300,000	-
Deposits payable	195,987	-	-
Due to other funds	-	-	-
Total liabilities	<u>195,987</u>	<u>301,533</u>	<u>5,400</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - receivables	-	-	35,591
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>35,591</u>
<u>FUND BALANCES:</u>			
Restricted			
Capital projects	5,223,634	1,325,468	-
Other purposes	-	-	-
Committed			
Capital projects	-	-	46,873
Assigned			
Capital projects	-	-	11,864,471
Other purposes	-	-	945,470
Unassigned	-	-	-
Total fund balances	<u>5,223,634</u>	<u>1,325,468</u>	<u>12,856,814</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,419,621</u>	<u>\$ 1,627,001</u>	<u>\$ 12,897,805</u>

Capital Projects Funds					
Low/Moderate Income Housing	In Lieu Housing	Local Drainage Facilities	RCFPP	Parks Acquisition and Development	Total Nonmajor Governmental Funds
\$ 846,403	\$ 1,931,323	\$ 2,244,958	\$ 1,260,873	\$ 1,275,068	\$ 39,999,951
-	-	-	-	8,163	746,441
5,419	12,365	14,373	8,072	-	244,921
-	-	-	-	-	735,029
2,202,096	9,219,414	-	-	-	11,788,706
<u>\$ 3,053,918</u>	<u>\$ 11,163,102</u>	<u>\$ 2,259,331</u>	<u>\$ 1,268,945</u>	<u>\$ 1,283,231</u>	<u>\$ 53,515,048</u>
\$ -	\$ -	\$ 28,096	\$ -	\$ -	\$ 352,668
-	-	-	-	-	2,433
-	-	-	-	-	300,000
-	-	-	-	-	195,987
-	-	-	-	-	31,483
<u>-</u>	<u>-</u>	<u>28,096</u>	<u>-</u>	<u>-</u>	<u>882,571</u>
-	-	-	-	-	535,825
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535,825</u>
-	-	2,231,235	1,268,945	1,283,231	23,857,042
3,053,918	11,163,102	-	-	-	15,393,004
-	-	-	-	-	46,873
-	-	-	-	-	11,864,471
-	-	-	-	-	945,470
-	-	-	-	-	(10,208)
<u>3,053,918</u>	<u>11,163,102</u>	<u>2,231,235</u>	<u>1,268,945</u>	<u>1,283,231</u>	<u>52,096,652</u>
<u>\$ 3,053,918</u>	<u>\$ 11,163,102</u>	<u>\$ 2,259,331</u>	<u>\$ 1,268,945</u>	<u>\$ 1,283,231</u>	<u>\$ 53,515,048</u>

(Concluded)

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		
	Gas Tax	Air Quality Improvement	Street Improvement
Revenues:			
Taxes	\$ -	\$ -	\$ 14
Investment and rentals	278,750	4,211	207,033
Intergovernmental	3,550,831	85,061	1,352,738
Charges for services	-	-	-
Developer fees	-	-	-
Other	-	-	4,620
Total Revenues	<u>3,829,581</u>	<u>89,272</u>	<u>1,564,405</u>
Expenditures:			
Current:			
General government	-	-	-
Police	-	-	-
Public works	86,928	37,509	1,092,333
Community development	-	-	-
Beaches, parks and recreation	-	-	-
Capital outlay	2,097,741	-	2,177,131
Total Expenditures	<u>2,184,669</u>	<u>37,509</u>	<u>3,269,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,644,912</u>	<u>51,763</u>	<u>(1,705,059)</u>
Other Financing Sources (Uses):			
Transfers in	15,000	-	699,847
Transfers out	<u>(568,330)</u>	<u>(176,800)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(553,330)</u>	<u>(176,800)</u>	<u>699,847</u>
Net Change in Fund Balances	1,091,582	(125,037)	(1,005,212)
Fund Balance (Deficit) at Beginning of Year	<u>6,371,952</u>	<u>114,829</u>	<u>4,771,105</u>
Fund Balance (Deficit) at End of Year	<u>\$ 7,463,534</u>	<u>\$ (10,208)</u>	<u>\$ 3,765,893</u>

Special Revenue Funds

Police Grants	Miscellaneous Grants	Local Cable Infrastructure	Disaster Relief	Building Homes & Jobs Act
\$ -	\$ -	\$ 212,621	\$ -	\$ -
13,163	-	51,983	28,584	4,157
186,159	103,594	-	877,356	293,827
-	-	-	-	-
-	-	-	-	-
15	54	-	-	-
<u>199,337</u>	<u>103,648</u>	<u>264,604</u>	<u>905,940</u>	<u>297,984</u>
-	-	10,360	9,199	-
173,269	-	-	-	-
-	-	-	-	-
-	87,039	-	-	238,288
-	-	-	-	-
-	6,554	110,537	1,014,319	-
<u>173,269</u>	<u>93,593</u>	<u>120,897</u>	<u>1,023,518</u>	<u>238,288</u>
26,068	10,055	143,707	(117,578)	59,696
-	-	-	-	-
-	(9,829)	-	(403,260)	-
-	(9,829)	-	(403,260)	-
26,068	226	143,707	(520,838)	59,696
258,646	407,751	1,151,395	859,831	84,604
<u>\$ 284,714</u>	<u>\$ 407,977</u>	<u>\$ 1,295,102</u>	<u>\$ 338,993</u>	<u>\$ 144,300</u>

(Continued)

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2024

	Capital Projects Funds		
	Developers Improvement	Public Facilities Construction	Reserve
Revenues:			
Taxes	\$ -	\$ -	\$ -
Investment and rentals	227,480	74,653	783,176
Intergovernmental	-	-	182,335
Charges for services	-	-	809,940
Developer fees	128,119	36,009	-
Other	-	-	28,595
Total Revenues	<u>355,599</u>	<u>110,662</u>	<u>1,804,046</u>
Expenditures:			
Current:			
General government	-	-	46,546
Police	-	-	-
Public works	12,160	-	-
Community development	-	18,380	-
Beaches, parks and recreation	-	-	-
Capital outlay	-	68,039	678,982
Total Expenditures	<u>12,160</u>	<u>86,419</u>	<u>725,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>343,439</u>	<u>24,243</u>	<u>1,078,518</u>
Other Financing Sources (Uses):			
Transfers in	-	-	1,148,011
Transfers out	-	-	(5,509,961)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,361,950)</u>
Net Change in Fund Balances	343,439	24,243	(3,283,432)
Fund Balance (Deficit) at Beginning of Year	<u>4,880,195</u>	<u>1,301,225</u>	<u>16,140,246</u>
Fund Balance (Deficit) at End of Year	<u>\$ 5,223,634</u>	<u>\$ 1,325,468</u>	<u>\$ 12,856,814</u>

Capital Projects Funds					
Low/Moderate Income Housing	In Lieu Housing	Local Drainage Facilities	RCFPP	Parks Acquisition and Development	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,635
69,186	264,092	110,942	57,384	102,643	2,277,437
-	-	-	-	-	6,631,901
-	-	-	-	-	809,940
-	-	953	1,188	5,504	171,773
-	-	-	-	-	33,284
<u>69,186</u>	<u>264,092</u>	<u>111,895</u>	<u>58,572</u>	<u>108,147</u>	<u>10,136,970</u>
-	-	-	-	-	66,105
-	-	-	-	-	173,269
-	-	25,918	9,930	-	1,264,778
11,930	-	-	-	-	355,637
-	-	-	-	12,140	12,140
-	-	644,323	16,550	1,274,404	8,088,580
<u>11,930</u>	<u>-</u>	<u>670,241</u>	<u>26,480</u>	<u>1,286,544</u>	<u>9,960,509</u>
57,256	264,092	(558,346)	32,092	(1,178,397)	176,461
70,457	-	313,870	-	-	2,247,185
-	-	-	-	-	(6,668,180)
<u>70,457</u>	<u>-</u>	<u>313,870</u>	<u>-</u>	<u>-</u>	<u>(4,420,995)</u>
127,713	264,092	(244,476)	32,092	(1,178,397)	(4,244,534)
<u>2,926,205</u>	<u>10,899,010</u>	<u>2,475,711</u>	<u>1,236,853</u>	<u>2,461,628</u>	<u>56,341,186</u>
<u>\$ 3,053,918</u>	<u>\$ 11,163,102</u>	<u>\$ 2,231,235</u>	<u>\$ 1,268,945</u>	<u>\$ 1,283,231</u>	<u>\$ 52,096,652</u>

(Concluded)

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 80,230	\$ 278,750	\$ 198,520
Intergovernmental	4,607,180	3,550,831	(1,056,349)
	<u>4,687,410</u>	<u>3,829,581</u>	<u>(857,829)</u>
Total Revenues			
Expenditures:			
Current:			
Public Works	176,310	86,928	89,382
Capital outlay	7,680,830	2,097,741	5,583,089
	<u>7,857,140</u>	<u>2,184,669</u>	<u>5,672,471</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,169,730)</u>	<u>1,644,912</u>	<u>4,814,642</u>
Other Financing Sources (Uses):			
Transfers in	15,000	15,000	-
Transfers out	(520,000)	(568,330)	(48,330)
	<u>(505,000)</u>	<u>(553,330)</u>	<u>(48,330)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(3,674,730)	1,091,582	4,766,312
Fund Balance, Beginning of Year	<u>6,371,952</u>	<u>6,371,952</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,697,222</u></u>	<u><u>\$ 7,463,534</u></u>	<u><u>\$ 4,766,312</u></u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 1,100	\$ 4,211	\$ 3,111
Intergovernmental	<u>334,000</u>	<u>85,061</u>	<u>(248,939)</u>
Total Revenues	<u>335,100</u>	<u>89,272</u>	<u>(245,828)</u>
Expenditures:			
Current:			
Public works	<u>87,510</u>	<u>37,509</u>	<u>50,001</u>
Total Expenditures	<u>87,510</u>	<u>37,509</u>	<u>50,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>247,590</u>	<u>51,763</u>	<u>(195,827)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(176,800)</u>	<u>(176,800)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(176,800)</u>	<u>(176,800)</u>	<u>-</u>
Net Change in Fund Balance	70,790	(125,037)	(195,827)
Fund Balance, Beginning of Year	<u>114,829</u>	<u>114,829</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 185,619</u></u>	<u><u>\$ (10,208)</u></u>	<u><u>\$ (195,827)</u></u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Street Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ -	\$ 14	\$ 14
Investment and rentals	72,000	207,033	135,033
Intergovernmental	1,280,000	1,352,738	72,738
Other	-	4,620	4,620
Total Revenues	<u>1,352,000</u>	<u>1,564,405</u>	<u>212,405</u>
Expenditures:			
Current:			
Public works	1,448,770	1,092,333	356,437
Capital outlay	<u>4,811,460</u>	<u>2,177,131</u>	<u>2,634,329</u>
Total Expenditures	<u>6,260,230</u>	<u>3,269,464</u>	<u>2,990,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,908,230)</u>	<u>(1,705,059)</u>	<u>3,203,171</u>
Other Financing Sources (Uses):			
Transfers in	<u>700,000</u>	<u>699,847</u>	<u>(153)</u>
Total Other Financing Sources (Uses)	<u>700,000</u>	<u>699,847</u>	<u>(153)</u>
Net Change in Fund Balance	<u>(4,208,230)</u>	<u>(1,005,212)</u>	<u>3,203,018</u>
Fund Balance, Beginning of Year	<u>4,771,105</u>	<u>4,771,105</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 562,875</u>	<u>\$ 3,765,893</u>	<u>\$ 3,203,018</u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Police Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 4,100	\$ 13,163	\$ 9,063
Intergovernmental	178,380	186,159	7,779
Other	-	15	15
	<u>182,480</u>	<u>199,337</u>	<u>16,857</u>
Total Revenues			
Expenditures:			
Current:			
Police	<u>226,940</u>	<u>173,269</u>	<u>53,671</u>
Net Change in Fund Balance	(44,460)	26,068	70,528
Fund Balance, Beginning of Year	<u>258,646</u>	<u>258,646</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 214,186</u></u>	<u><u>\$ 284,714</u></u>	<u><u>\$ 70,528</u></u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 530,420	\$ 103,594	(426,826)
Other	10,000	54	(9,946)
Total Revenues	<u>540,420</u>	<u>103,648</u>	<u>(436,772)</u>
Expenditures:			
Current:			
Community development	288,040	87,039	201,001
Capital outlay	<u>232,400</u>	<u>6,554</u>	<u>225,846</u>
Total Expenditures	<u>520,440</u>	<u>93,593</u>	<u>426,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,980</u>	<u>10,055</u>	<u>(9,925)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(10,000)</u>	<u>(9,829)</u>	<u>171</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(9,829)</u>	<u>171</u>
Net Change in Fund Balance	9,980	226	(9,754)
Fund Balance, Beginning of Year	<u>407,751</u>	<u>407,751</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 417,731</u></u>	<u><u>\$ 407,977</u></u>	<u><u>\$ (9,754)</u></u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Local Cable Infrastructure Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 192,000	\$ 212,621	\$ 20,621
Investment and rentals	10,000	51,983	41,983
	<u>202,000</u>	<u>264,604</u>	<u>62,604</u>
Total Revenues			
Expenditures:			
Current:			
General government	10,360	10,360	-
Capital outlay	220,660	110,537	110,123
	<u>231,020</u>	<u>120,897</u>	<u>110,123</u>
Total Expenditures			
	<u>(29,020)</u>	<u>143,707</u>	<u>172,727</u>
Net Change in Fund Balance			
	<u>1,151,395</u>	<u>1,151,395</u>	<u>-</u>
Fund Balance, Beginning of Year			
	<u>\$ 1,122,375</u>	<u>\$ 1,295,102</u>	<u>\$ 172,727</u>
Fund Balance, End of Year			

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Disaster Relief Special Revenue Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 20,000	\$ 28,584	\$ 8,584
Intergovernmental	877,350	877,356	6
Total Revenues	897,350	905,940	8,590
Expenditures:			
Current:			
General government	215,650	9,199	206,451
Capital outlay	1,266,540	1,014,319	252,221
Total Expenditures	1,482,190	1,023,518	458,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	(584,840)	(117,578)	467,262
Other Financing Sources (Uses):			
Transfers out	(403,260)	(403,260)	-
Total Other Financing Sources (Uses)	(403,260)	(403,260)	-
Net Change in Fund Balance	(988,100)	(520,838)	467,262
Fund Balance, Beginning of Year	859,831	859,831	-
Fund Balance, End of Year	<u>\$ (128,269)</u>	<u>\$ 338,993</u>	<u>\$ 467,262</u>

CITY OF SAN CLEMENTE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Building Homes & Jobs Act
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 2,000	\$ 4,157	\$ 2,157
Intergovernmental	<u>293,830</u>	<u>293,827</u>	<u>(3)</u>
Total Revenues	<u>295,830</u>	<u>297,984</u>	<u>2,154</u>
Expenditures:			
Current:			
Community development	<u>572,290</u>	<u>238,288</u>	<u>334,002</u>
Total Expenditures	<u>572,290</u>	<u>238,288</u>	<u>334,002</u>
Net Change in Fund Balance	(276,460)	59,696	336,156
Fund Balance, Beginning of Year	<u>84,604</u>	<u>84,604</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (191,856)</u></u>	<u><u>\$ 144,300</u></u>	<u><u>\$ 336,156</u></u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Developers Improvement Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 76,520	\$ 227,480	\$ 150,960
Developer fees	122,880	128,119	5,239
Total Revenues	199,400	355,599	156,199
Expenditures:			
Current:			
Public works	12,160	12,160	-
Capital outlay	23,970	-	23,970
Total Expenditures	36,130	12,160	23,970
Net Change in Fund Balance	163,270	343,439	180,169
Fund Balance, Beginning of Year	4,880,195	4,880,195	-
Fund Balance, End of Year	<u>\$ 5,043,465</u>	<u>\$ 5,223,634</u>	<u>\$ 180,169</u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Public Facilities Construction Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 28,500	\$ 74,653	\$ 46,153
Developer fees	24,000	36,009	12,009
Total Revenues	52,500	110,662	58,162
Expenditures:			
Current:			
Community development	18,380	18,380	-
Capital outlay	961,960	68,039	893,921
Total Expenditures	980,340	86,419	893,921
Net Change in Fund Balance	(927,840)	24,243	952,083
Fund Balance, Beginning of Year	1,301,225	1,301,225	-
Fund Balance, End of Year	\$ 373,385	\$ 1,325,468	\$ 952,083

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Reserve Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment and rentals	\$ 200,000	\$ 783,176	\$ 583,176
Intergovernmental	220,000	182,335	(37,665)
Charges for services	809,940	809,940	-
Other	47,300	28,595	(18,705)
Total Revenues	1,277,240	1,804,046	526,806
Expenditures:			
Current:			
General government	240,000	46,546	193,454
Capital outlay	3,720,237	678,982	3,041,255
Total Expenditures	3,960,237	725,528	3,234,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,682,997)	1,078,518	3,761,515
Other Financing Sources (Uses):			
Transfers in	1,050,000	1,148,011	98,011
Transfers out	(8,582,560)	(5,509,961)	3,072,599
Total Other Financing Sources (Uses)	(7,532,560)	(4,361,950)	3,170,610
Net Change in Fund Balance	(10,215,557)	(3,283,432)	3,859,526
Fund Balance, Beginning of Year	16,140,246	16,140,246	-
Fund Balance, End of Year	\$ 5,924,689	\$ 12,856,814	\$ 3,859,526

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Low/Moderate Income Housing Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 10,540	\$ 69,186	\$ 58,646
Total Revenues	10,540	69,186	58,646
Expenditures:			
Current:			
Community development	41,930	11,930	30,000
Total Expenditures	41,930	11,930	30,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,390)	57,256	88,646
Other Financing Sources (Uses):			
Transfers in	-	70,457	70,457
Total Other Financing Sources (Uses)	-	70,457	70,457
Net Change in Fund Balance	(31,390)	127,713	159,103
Fund Balance, Beginning of Year	2,926,205	2,926,205	-
Fund Balance, End of Year	\$ 2,894,815	\$ 3,053,918	\$ 159,103

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
In Lieu Housing Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 3,000	\$ 264,092	\$ 261,092
Total Revenues	3,000	264,092	261,092
Net Change in Fund Balance	3,000	264,092	261,092
Fund Balance, Beginning of Year	10,899,010	10,899,010	-
Fund Balance, End of Year	\$ 10,902,010	\$ 11,163,102	\$ 261,092

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Local Drainage Facilities Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 45,200	\$ 110,942	\$ 65,742
Developer fees	500	953	453
Other	500,000	-	(500,000)
	<u>545,700</u>	<u>111,895</u>	<u>(433,805)</u>
Total Revenues			
	<u>545,700</u>	<u>111,895</u>	<u>(433,805)</u>
Expenditures:			
Current:			
Public works	49,840	25,918	23,922
Capital outlay	3,169,341	644,323	2,525,018
	<u>3,219,181</u>	<u>670,241</u>	<u>2,548,940</u>
Total Expenditures			
	<u>3,219,181</u>	<u>670,241</u>	<u>2,548,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,673,481)	(558,346)	2,115,135
Other Financing Sources (Uses):			
Transfers in	313,871	313,870	(1)
	<u>313,871</u>	<u>313,870</u>	<u>(1)</u>
Total Other Financing Sources (Uses)			
	<u>313,871</u>	<u>313,870</u>	<u>(1)</u>
Net Change in Fund Balance	(2,359,610)	(244,476)	2,115,134
Fund Balance, Beginning of Year	2,475,711	2,475,711	-
	<u>2,475,711</u>	<u>2,475,711</u>	<u>-</u>
Fund Balance, End of Year	\$ 116,101	\$ 2,231,235	\$ 2,115,134
	<u>\$ 116,101</u>	<u>\$ 2,231,235</u>	<u>\$ 2,115,134</u>

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
RCFPP Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment and rentals	\$ 13,000	\$ 57,384	\$ 44,384
Developer fees	1,000	1,188	188
Total Revenues	14,000	58,572	44,572
Expenditures:			
Current:			
Public works	9,930	9,930	-
Capital outlay	382,790	16,550	366,240
Total Expenditures	392,720	26,480	366,240
Net Change in Fund Balance	(378,720)	32,092	410,812
Fund Balance, Beginning of Year	1,236,853	1,236,853	-
Fund Balance, End of Year	\$ 858,133	\$ 1,268,945	\$ 410,812

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parks Acquisition and Development Capital Project Fund
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 30,000	\$ 102,643	\$ 72,643
Developer fees	20,000	5,504	(14,496)
	<u>50,000</u>	<u>108,147</u>	<u>58,147</u>
Total Revenues			
Expenditures:			
Current:			
Beaches, parks and recreation	12,140	12,140	-
Capital outlay	2,145,000	1,274,404	870,596
	<u>2,157,140</u>	<u>1,286,544</u>	<u>870,596</u>
Total Expenditures			
Net Change in Fund Balance	(2,107,140)	(1,178,397)	928,743
Fund Balance, Beginning of Year	2,461,628	2,461,628	-
Fund Balance, End of Year	<u>\$ 354,488</u>	<u>\$ 1,283,231</u>	<u>\$ 928,743</u>



NONMAJOR PROPRIETARY FUNDS

Proprietary funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent of the City in using this type of fund is to determine that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Clean Ocean Fund – This fund is used to account for activities associated with managing ocean water runoff in compliance with the State of California clean ocean water quality program.

Solid Waste Management Fund – This fund is used to account for the activities associated with the collection, recycling, and disposal of residential and commercial solid waste within the City.

CITY OF SAN CLEMENTE
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2024

	Clean Ocean	Solid Waste Management	Totals
ASSETS:			
Current Assets:			
Cash and investments	\$ 63,228	\$ 523,803	\$ 587,031
Receivables (net of allowances for uncollectible accounts)	332,083	23,697	355,780
Accrued interest	404	3,353	3,757
Total Current Assets	<u>395,715</u>	<u>550,853</u>	<u>946,568</u>
Noncurrent Assets:			
Capital Assets:			
Machinery and equipment	15,000	-	15,000
Total Capital Assets	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Less accumulated depreciation	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>395,715</u>	<u>550,853</u>	<u>946,568</u>
LIABILITIES:			
Current Liabilities			
Accounts payable	306,550	18,235	324,785
Accrued wages	1,384	962	2,346
Compensated absences payable	4,160	3,919	8,079
Total Current Liabilities	<u>312,094</u>	<u>23,116</u>	<u>335,210</u>
Noncurrent Liabilities:			
Compensated absences payable	<u>9,706</u>	<u>9,146</u>	<u>18,852</u>
Total Liabilities	<u>321,800</u>	<u>32,262</u>	<u>354,062</u>
Net Position:			
Unrestricted	<u>73,915</u>	<u>518,591</u>	<u>592,506</u>
Total Net Position	<u>\$ 73,915</u>	<u>\$ 518,591</u>	<u>\$ 592,506</u>

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2024

	Clean Ocean	Solid Waste Management	Totals
Operating Revenues:			
Charges for services	\$ 352	\$ 257,149	\$ 257,501
Other	263,760	9,238	272,998
Total Operating Revenues	<u>264,112</u>	<u>266,387</u>	<u>530,499</u>
Operating Expenses:			
Salaries and benefits	162,880	127,478	290,358
Cost of materials and supplies	10,292	12,826	23,118
Maintenance and other operating expenses	1,258,564	110,487	1,369,051
Total Operating Expenses	<u>1,431,736</u>	<u>250,791</u>	<u>1,682,527</u>
Operating Income (Loss)	<u>(1,167,624)</u>	<u>15,596</u>	<u>(1,152,028)</u>
Non-Operating Revenues (Expenses):			
Investment income	33,410	33,727	67,137
Grant income	328,000	16,156	344,156
Total Non-Operating Revenues	<u>361,410</u>	<u>49,883</u>	<u>411,293</u>
Income (Loss) Before Transfers	(806,214)	65,479	(740,735)
Transfers:			
Transfers in	285,000	-	285,000
Transfers out	<u>-</u>	<u>(285,000)</u>	<u>(285,000)</u>
Total Transfers	<u>285,000</u>	<u>(285,000)</u>	<u>-</u>
Change in Net Position	(521,214)	(219,521)	(740,735)
Net Position - Beginning of Year	<u>595,129</u>	<u>738,112</u>	<u>1,333,241</u>
Net Position - End of Year	<u>\$ 73,915</u>	<u>\$ 518,591</u>	<u>\$ 592,506</u>

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2024

	Clean Ocean	Solid Waste Management	Totals
Cash Flows from Operating Activities:			
Cash received from customers	\$ (62,495)	\$ 267,195	\$ 204,700
Cash paid to other suppliers for goods or services	(1,283,444)	(105,078)	(1,388,522)
Cash payment to employees	(147,630)	(124,830)	(272,460)
Net Cash Provided by (Used for) Operating Activities	<u>(1,493,569)</u>	<u>37,287</u>	<u>(1,456,282)</u>
Cash Flows from Noncapital Financing Activities:			
Grant receipts	328,000	16,156	344,156
Cash received from other funds	285,000	-	285,000
Cash paid to other funds	-	(285,000)	(285,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>613,000</u>	<u>(268,844)</u>	<u>344,156</u>
Cash Flows from Investing Activities:			
Investment income received	37,347	33,829	71,176
Net Cash Provided by (Used for) Investing Activities	<u>37,347</u>	<u>33,829</u>	<u>71,176</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(843,222)	(197,728)	(1,040,950)
Cash and Cash Equivalents at Beginning of Year	906,450	721,531	1,627,981
Cash and Cash Equivalents at End of Year	<u>\$ 63,228</u>	<u>\$ 523,803</u>	<u>\$ 587,031</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	<u>\$ (1,167,624)</u>	<u>\$ 15,596</u>	<u>\$ (1,152,028)</u>
Adjustments to Reconcile Operating Income to Net Cash Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(326,607)	808	(325,799)
Increase (decrease) in accounts payable	(14,588)	18,235	3,647
Increase (decrease) in accrued wages	1,384	36	1,420
Increase (decrease) in compensated absences	13,866	2,612	16,478
Total Adjustments	<u>(325,945)</u>	<u>21,691</u>	<u>(304,254)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,493,569)</u>	<u>\$ 37,287</u>	<u>\$ (1,456,282)</u>
Noncash investing, capital, and financing activities:			
Unrealized gain (loss) from investments	\$ (30,953)	\$ (16,752)	\$ (47,705)

INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for goods and services provided by one City department to other City departments on a cost-reimbursement basis, including depreciation.

Employee Benefits Fund – This fund is used to finance and account for employee unemployment insurance, life insurance and other benefits.

Central Services Fund – This fund is used to account for the cost of providing a variety of facilities or services to City departments, including central stores, central mailing and reprographic services.

Information Technology Fund – This fund is used to account for the costs associated with the City's technology structure and support systems and distribute these costs to the departments using the system on a pro rata basis. Included are costs for hardware and software maintenance, programming costs and some centralized supplies.

Fleet Maintenance Fund - This fund is used to account for the maintenance and replacement of City-owned vehicles and equipment.

Employee Medical Self-Insurance Fund – This fund is used to account for expenditures for medical benefits offered to all full-time and part-time benefited employees.

Workers' Compensation Self-Insurance Fund - This fund is used to account for the cost to provide Workers' Compensation insurance coverage to all City employees in compliance with State of California requirements.

General Liability Self-Insurance Fund – This fund is used to account for City-provided liability and property insurance. Coverage is provided through the City's participation in a joint powers agreement through the California Joint Powers Insurance Authority (CJPIA).

CITY OF SAN CLEMENTE
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Employee Benefits	Central Services
ASSETS:		
Current Assets:		
Cash and investments	\$ 419,426	\$ 452,566
Receivables (net of uncollectible allowance):		
Accounts	14,792	-
Accrued interest	2,641	2,897
Total Current Assets	<u>436,859</u>	<u>455,463</u>
Noncurrent Assets:		
Capital Assets:		
Buildings	-	-
Improvements other than buildings	-	-
Subscription asset	-	-
Machinery and equipment	-	159,644
Total Capital Assets	<u>-</u>	<u>159,644</u>
Less accumulated depreciation/amortization	<u>-</u>	<u>(27,193)</u>
Net Capital Assets	<u>-</u>	<u>132,451</u>
Total Noncurrent Assets	<u>-</u>	<u>132,451</u>
Total Assets	<u>436,859</u>	<u>587,914</u>
DEFERRED OUTFLOWS OF RESOURCES:		
OPEB Pension deferral	<u>-</u>	<u>-</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable	-	30,967
Accrued wages	359,666	-
Accrued interest payable	-	-
Compensated absences payable	-	-
Subscription payable	-	-
Lease payable	-	26,085
Claims and judgements payable	-	-
Total Current Liabilities	<u>359,666</u>	<u>57,052</u>
Noncurrent Liabilities:		
Compensated absences payable	-	-
Subscription payable	-	-
Lease payable	-	108,329
Claims and judgments payable	-	-
Net OPEB liability	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>-</u>	<u>108,329</u>
Total Liabilities	<u>359,666</u>	<u>165,381</u>
DEFERRED INFLOWS OF RESOURCES:		
OPEB Pension deferral	<u>-</u>	<u>-</u>
NET POSITION:		
Net investment in capital assets	-	-
Unrestricted	77,193	422,533
Total Net Position	<u>\$ 77,193</u>	<u>\$ 422,533</u>

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 1,373,949	\$ 7,911,558	\$ 355,348	\$ 2,246,164	\$ 4,445,647	\$ 17,204,658
-	7,431	3,010	-	-	25,233
8,796	50,652	2,275	14,381	28,462	110,104
<u>1,382,745</u>	<u>7,969,641</u>	<u>360,633</u>	<u>2,260,545</u>	<u>4,474,109</u>	<u>17,339,995</u>
-	443,134	-	-	-	443,134
635,550	569,260	-	-	-	1,204,810
1,029,490	-	-	-	-	1,029,490
680,944	6,891,266	-	-	-	7,731,854
2,345,984	7,903,660	-	-	-	10,409,288
(1,278,504)	(6,113,803)	-	-	-	(7,419,500)
1,067,480	1,789,857	-	-	-	2,989,788
1,067,480	1,789,857	-	-	-	2,989,788
2,450,225	9,759,498	360,633	2,260,545	4,474,109	20,329,783
-	-	1,944,449	-	-	1,944,449
64,974	88,652	16,155	3,266	175	204,189
6,496	-	-	-	891	367,053
7,734	-	-	-	-	7,734
9,280	-	-	-	1,366	10,646
168,736	-	-	-	-	168,736
-	-	-	-	-	26,085
-	-	-	130,926	58,800	189,726
<u>257,220</u>	<u>88,652</u>	<u>16,155</u>	<u>134,192</u>	<u>61,232</u>	<u>974,169</u>
21,653	-	-	-	3,189	24,842
64,628	-	-	-	-	64,628
-	-	-	-	-	108,329
-	-	-	24,938	11,200	36,138
-	-	2,556,760	-	-	2,556,760
86,281	-	2,556,760	24,938	14,389	2,790,697
343,501	88,652	2,572,915	159,130	75,621	3,764,866
-	-	1,191,912	-	-	1,191,912
834,116	1,789,857	-	-	-	2,623,973
1,272,608	7,880,989	(1,459,745)	2,101,415	4,398,488	14,693,481
<u>\$ 2,106,724</u>	<u>\$ 9,670,846</u>	<u>\$ (1,459,745)</u>	<u>\$ 2,101,415</u>	<u>\$ 4,398,488</u>	<u>\$ 17,317,454</u>

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefits	Central Services
Operating Revenues:		
Charges for current services	\$ -	\$ 434,037
Other	-	-
Total Operating Revenues	<u>-</u>	<u>434,037</u>
Operating Expenses:		
Salaries and benefits	-	5,480
Cost of materials and supplies	-	48,655
Depreciation/amortization	-	13,237
Workers compensation insurance	-	-
Employee health/life insurance	-	-
Liability insurance	-	-
Benefit payments	-	-
Maintenance and other operating expenses	-	361,985
Total Operating Expenses	<u>-</u>	<u>429,357</u>
Operating Income (Loss)	<u>-</u>	<u>4,680</u>
Nonoperating Revenues (Expenses):		
Investment income	9,393	19,344
Interest expense	-	-
Total Nonoperating Revenues (Expenses)	<u>9,393</u>	<u>19,344</u>
Income (Loss) Before Transfers	9,393	24,024
Transfers:		
Transfers in	-	-
Transfers out	-	-
Total Transfers	<u>-</u>	<u>-</u>
Change in Net Position	9,393	24,024
Net Position - Beginning of Year	<u>67,800</u>	<u>398,509</u>
Net Position - End of Year	<u>\$ 77,193</u>	<u>\$ 422,533</u>

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 2,200,030	\$ 1,864,750	\$ 3,644,843	\$ 512,804	\$ 2,700,000	\$ 11,356,464
-	651	11,548	13,345	4,883	30,427
<u>2,200,030</u>	<u>1,865,401</u>	<u>3,656,391</u>	<u>526,149</u>	<u>2,704,883</u>	<u>11,386,891</u>
784,886	-	-	-	145,891	936,257
4,748	527,894	-	-	1,268	582,565
399,517	436,098	-	-	-	848,852
-	-	-	191,415	-	191,415
-	-	3,413,474	-	-	3,413,474
-	-	-	-	2,118,582	2,118,582
-	-	172,267	(203,666)	123,554	92,155
858,094	765,616	111,491	73,187	1,617,950	3,788,323
<u>2,047,245</u>	<u>1,729,608</u>	<u>3,697,232</u>	<u>60,936</u>	<u>4,007,245</u>	<u>11,971,623</u>
<u>152,785</u>	<u>135,793</u>	<u>(40,841)</u>	<u>465,213</u>	<u>(1,302,362)</u>	<u>(584,732)</u>
66,476	322,425	7,159	92,596	259,732	777,125
<u>(13,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,727)</u>
<u>52,749</u>	<u>322,425</u>	<u>7,159</u>	<u>92,596</u>	<u>259,732</u>	<u>763,398</u>
205,534	458,218	(33,682)	557,809	(1,042,630)	178,666
-	721,618	-	-	-	721,618
<u>(98,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,011)</u>
<u>(98,011)</u>	<u>721,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,607</u>
107,523	1,179,836	(33,682)	557,809	(1,042,630)	802,273
<u>1,999,201</u>	<u>8,491,010</u>	<u>(1,426,063)</u>	<u>1,543,606</u>	<u>5,441,118</u>	<u>16,515,181</u>
<u>\$ 2,106,724</u>	<u>\$ 9,670,846</u>	<u>\$ (1,459,745)</u>	<u>\$ 2,101,415</u>	<u>\$ 4,398,488</u>	<u>\$ 17,317,454</u>

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefits	Central Service
Cash Flows from Operating Activities:		
Receipts from interfund charges	\$ 2,043	\$ 434,037
Cash paid to other suppliers of goods or services		(406,664)
Cash payment to employees	74,298	(5,480)
Net Cash Provided by (Used for) Operating Activities	76,341	21,893
Cash Flows from Noncapital Financing Activities:		
Cash received from other funds	-	-
Cash paid to other funds	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-
Cash Flows from Capital and Related Financing Activities:		
Purchase and construction of capital assets	-	-
Interest and fiscal charges	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-
Cash Flows from Investing Activities:		
Investment income received (paid)	8,300	18,421
Net Cash Provided by (Used for) Investing Activities:	8,300	18,421
Net Increase (Decrease) in Cash and Cash Equivalents	84,641	40,314
Cash and Cash Equivalents at Beginning of Year -as Restated	334,785	412,252
Cash and Cash Equivalents at End of Year	\$ 419,426	\$ 452,566

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 2,200,030	\$ 1,857,970	\$ 3,660,742	\$ 526,149	\$ 2,704,883	\$ 11,385,854
(1,188,749)	(1,323,953)	(3,552,941)	(393,383)	(4,597,816)	(11,463,506)
(876,088)	-	-	-	(144,390)	(951,660)
135,193	534,017	107,801	132,766	(2,037,323)	(1,029,312)
-	721,618	-	-	-	721,618
(98,011)	-	-	-	-	(98,011)
(98,011)	721,618	-	-	-	623,607
(182,912)	(521,493)	-	-	-	(704,405)
(13,727)	-	-	-	-	(13,727)
(196,639)	(521,493)	-	-	-	(718,132)
66,952	304,686	6,041	87,915	261,066	753,381
66,952	304,686	6,041	87,915	261,066	753,381
(92,505)	1,038,828	113,842	220,681	(1,776,257)	(370,456)
1,466,454	6,872,730	241,506	2,025,483	6,221,904	17,575,114
<u>\$ 1,373,949</u>	<u>\$ 7,911,558</u>	<u>\$ 355,348</u>	<u>\$ 2,246,164</u>	<u>\$ 4,445,647</u>	<u>\$ 17,204,658</u>

(Continued)

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Internal Service Funds (Continued)
For the Year Ended June 30, 2024

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	Employee Benefits	Central Service
Operating Income (Loss)	\$ -	\$ 4,680
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Depreciation/amortization expense	-	13,237
Change in Assets and Liabilities:		
(Increase) decrease in accounts receivable	2,043	-
Increase (decrease) in accounts payable	-	3,976
Increase (decrease) in subscription based IT payable	-	-
Increase (decrease) in accrued wages	74,298	-
Increase (decrease) in Net OPEB liability	-	-
Increase (decrease) in compensated absences	-	-
Increase (decrease) in claims and judgments payable	-	-
Total Adjustments	76,341	17,213
Net Cash Provided by (Used for) Operating Activities	\$ 76,341	\$ 21,893
Noncash investing, capital, and financing activities:		
Unrealized gain (loss) on investments	\$ -	\$ 7,019
Proceeds from lease	-	134,414

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 152,785	\$ 135,793	\$ (40,841)	\$ 465,213	\$ (1,302,362)	\$ (584,732)
	-				
399,517	436,098	-	-	-	848,852
-	(7,431)	4,351	-	-	(1,037)
(69)	(30,443)	(2,609)	1,616	(22,826)	(50,355)
(325,838)	-	-	-	-	(325,838)
(1,126)	-	-	-	(260)	72,912
-	-	146,900	-	-	146,900
(90,076)	-	-	-	1,761	(88,315)
-	-	-	(334,063)	(713,636)	(1,047,699)
(17,592)	398,224	148,642	(332,447)	(734,961)	(444,580)
<u>\$ 135,193</u>	<u>\$ 534,017</u>	<u>\$ 107,801</u>	<u>\$ 132,766</u>	<u>\$ (2,037,323)</u>	<u>\$ (1,029,312)</u>

\$ 28,896	\$ 110,912	\$ 2,610	\$ 34,110	\$ 145,643	\$ 329,190
-	-	-	-	-	134,414

(Concluded)



CUSTODIAL FUNDS

The Custodial funds are custodial in nature (assets equal liabilities) and report resources, not in a trust, that are held for other parties outside of the City of San Clemente. The Custodial funds are used to account for taxes received for special assessment debt for which the City is not obligated and monies that are held as part of a joint powers authority agreement.

99-1 CFD Collection Fund – This fund is used to record collections and payments to the holders of the Mello-Roos Community Facilities Act Bonds.

2006-1 CFD Marblehead Collection Fund – This fund is used to record debt collections and debt payments related to the Marblehead development under the Mello-Roos Community Facilities Act.

Reassessment District No 2016-1 Limited Obligation Refunding Bonds Collection Fund – This fund is used to refinancing of prior bonds and to record collections and the payment to the holders of the Limited Obligation Refunding Bonds previously issued to finance public improvements benefiting parcels within the Reassessment District.

Coastal Animal Service Authority Fund – This fund is used to record the assets and liabilities of the joint powers authority that provides and operates an animal sheltering facility located within the City of San Clemente and performs animal control services for the City of San Clemente and the City of Dana Point.

CITY OF SAN CLEMENTE
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Other Custodial Funds
June 30, 2024

	99-1 CFD Collection	2006-1 CFD Marblehead Collection	Reassessment District 2016-1 Collection
Assets:			
Cash and investments	\$ 356,541	\$ 2,946,007	\$ 951,781
Cash and investments with fiscal agents	288,401	8,063,630	522,778
Taxes receivable	-	51,453	11,405
Accounts receivable	-	-	-
Accrued interest receivable	2,283	18,861	6,094
	<u>647,225</u>	<u>11,079,951</u>	<u>1,492,058</u>
Total Assets			
	<u>647,225</u>	<u>11,079,951</u>	<u>1,492,058</u>
Liabilities:			
Accounts payable	438	976	375
Accrued wages	-	-	-
Payable to other entities	-	-	-
Due to bondholders	646,787	11,078,975	1,491,683
	<u>647,225</u>	<u>11,079,951</u>	<u>1,492,058</u>
Total Liabilities			
	<u>647,225</u>	<u>11,079,951</u>	<u>1,492,058</u>
Net Position			
Restricted - others	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Coastal Animal Services Authority	Totals
\$ 1,080,239	\$ 5,334,568
-	8,874,809
-	62,858
26,114	26,114
-	27,238
<u>1,106,353</u>	<u>\$ 14,325,587</u>
30,781	32,570
14,804	14,804
327,939	327,939
-	13,217,445
<u>373,524</u>	<u>13,592,758</u>
<u>732,829</u>	<u>732,829</u>
<u>\$ 732,829</u>	<u>\$ 732,829</u>

CITY OF SAN CLEMENTE
Combining Statement of Activities
Fiduciary Funds - Other Custodial Funds
June 30, 2024

	99-1 CFD Collection	2006-1 CFD Marblehead Collection	Reassessment District 2016-1 Collection
Additions:			
Property tax collections	\$ 356,189	\$ 3,258,011	\$ 926,807
Investment income	25,018	518,820	61,492
Contribution from governments	-	-	-
License and fees collected	-	-	-
Donations	-	-	-
Miscellaneous	-	-	-
Total Additions	<u>381,207</u>	<u>3,776,831</u>	<u>988,299</u>
Deductions:			
Payments to bondholders	370,258	3,751,400	974,971
Salaries and benefits	-	-	-
Materials and supplies	-	-	-
Other contractual costs	10,949	25,431	13,328
Payments to other entities	-	-	-
Total Deductions	<u>381,207</u>	<u>3,776,831</u>	<u>988,299</u>
Change in net position	-	-	-
Net Position - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Coastal Animal Services Authority	Totals
\$ -	\$ 4,541,007
-	605,330
1,417,610	1,417,610
319,776	319,776
219,530	219,530
39,798	39,798
<u>1,996,714</u>	<u>7,143,051</u>
-	5,096,629
924,357	924,357
35,556	35,556
328,452	378,160
324,960	324,960
<u>1,613,325</u>	<u>6,759,662</u>
383,389	383,389
<u>349,440</u>	<u>349,440</u>
<u>\$ 732,829</u>	<u>\$ 732,829</u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of San Clemente’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	178
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	190
Debt Capacity <i>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.</i>	196
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	202
Operating Information <i>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.</i>	204

CITY OF SAN CLEMENTE

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 201,351,891	\$ 205,339,450	\$ 223,978,174	\$ 222,799,987
Restricted	44,901,878	47,600,483	47,171,145	47,048,005
Unrestricted	18,847,703	21,772,655	23,088,837	23,633,735
Total governmental activities net position	<u>\$ 265,101,472</u>	<u>\$ 274,712,588</u>	<u>\$ 294,238,156</u>	<u>\$ 293,481,727</u>
Business-type activities				
Net investment in capital assets	\$ 154,510,084	\$ 153,436,537	\$ 156,462,970	\$ 156,608,320
Restricted	10,732,930	10,180,595	9,762,504	10,177,637
Unrestricted	37,944,233	41,377,385	35,642,252	34,219,326
Total business-type activities net position	<u>\$ 203,187,247</u>	<u>\$ 204,994,517</u>	<u>\$ 201,867,726</u>	<u>\$ 201,005,283</u>
Primary Government				
Net investment in capital assets	\$ 355,988,336	\$ 358,775,987	\$ 380,441,144	\$ 379,408,307
Restricted	55,634,808	57,781,078	56,933,649	57,225,642
Unrestricted	56,665,575	63,150,040	58,731,089	57,853,061
Total primary government net position	<u>\$ 468,288,719</u>	<u>\$ 479,707,105</u>	<u>\$ 496,105,882</u>	<u>\$ 494,487,010</u>

Source: City of San Clemente

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 219,771,204	\$ 220,087,709	\$ 218,669,873	\$ 217,194,366	\$ 212,659,357	\$ 216,013,312
47,294,020	47,685,507	42,602,327	39,814,572	41,108,869	40,899,374
29,391,740	22,812,106	26,007,004	31,746,402	35,085,461	30,164,802
<u>\$ 296,456,964</u>	<u>\$ 290,585,322</u>	<u>\$ 287,279,204</u>	<u>\$ 288,755,340</u>	<u>\$ 288,853,687</u>	<u>\$ 287,077,488</u>
\$ 154,657,313	\$ 152,775,813	\$ 150,986,146	\$ 149,279,997	\$ 150,502,118	\$ 148,002,340
10,439,505	11,841,484	11,577,417	11,205,591	6,205,657	4,011,424
37,427,488	40,500,331	40,562,849	42,865,961	47,377,136	50,812,768
<u>\$ 202,524,306</u>	<u>\$ 205,117,628</u>	<u>\$ 203,126,412</u>	<u>\$ 203,351,549</u>	<u>\$ 204,084,911</u>	<u>\$ 202,826,532</u>
\$ 374,428,517	\$ 372,863,522	\$ 369,656,019	\$ 366,474,363	\$ 363,161,475	\$ 364,015,652
57,733,525	59,526,991	54,179,744	51,020,163	47,314,526	44,910,798
66,819,228	63,312,437	66,569,853	74,612,363	82,462,597	80,977,570
<u>\$ 498,981,270</u>	<u>\$ 495,702,950</u>	<u>\$ 490,405,616</u>	<u>\$ 492,106,889</u>	<u>\$ 492,938,598</u>	<u>\$ 489,904,020</u>

CITY OF SAN CLEMENTE
CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2015	2016	2017
Expenses			
Governmental activities:			
General government	\$ 6,368,117	\$ 6,121,431	\$ 7,158,985
Police	12,743,914	12,366,392	14,722,453
Fire	8,148,750	8,914,593	10,098,953
Public works	10,529,453	16,568,456	18,795,135
Community development	16,481,854	5,802,124	6,120,224
Beaches, parks & recreation	14,026,927	9,295,623	9,299,173
Interest and fiscal charges	127,508	118,421	392,285
Total governmental activities expenses	<u>68,426,523</u>	<u>59,187,040</u>	<u>66,587,208</u>
Business-type activities:			
Water	19,582,215	18,092,980	17,944,864
Sewer	11,379,835	11,727,190	16,124,175
Golf	2,123,894	2,113,187	2,058,702
Non-major activities	1,926,412	1,797,162	1,787,867
Total business-type activities expenses	<u>35,012,356</u>	<u>33,730,519</u>	<u>37,915,608</u>
Total primary government expenses	<u>103,438,879</u>	<u>92,917,559</u>	<u>104,502,816</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	750,760	944,933	430,676
Police	772,733	641,074	601,355
Fire	1,096,348	1,266,510	1,467,867
Public works	1,714,658	1,067,956	1,261,103
Community development	2,589,286	2,891,114	2,426,953
Beaches, parks & recreation	3,446,630	3,832,390	4,205,277
Operating grants and contributions	3,355,485	5,058,133	3,187,026
Capital grants and contributions	19,527,260	7,119,635	23,318,080
Total governmental activities program revenues	<u>33,253,160</u>	<u>22,821,745</u>	<u>36,898,337</u>
Business-type activities:			
Charges for services:			
Water	20,564,951	18,231,654	18,207,039
Sewer	10,308,250	10,686,769	9,976,298
Golf	2,319,582	2,236,018	2,162,780
Other	2,765,093	2,821,254	2,767,285
Operating grants and contributions	-	17,298	16,798
Capital grants and contributions	787,143	1,156,583	1,677,633
Total business-type activities program revenues	<u>36,745,019</u>	<u>35,149,576</u>	<u>34,807,833</u>
Total primary government program revenues	<u>69,998,179</u>	<u>57,971,321</u>	<u>71,706,170</u>
Net (expense)/revenue:			
Governmental activities	(35,173,363)	(36,365,295)	(29,688,871)
Business-type activities	1,732,663	1,419,057	(3,107,775)
Total primary government net expense	<u>\$ (33,440,700)</u>	<u>\$ (34,946,238)</u>	<u>\$ (32,796,646)</u>

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 8,602,034	\$ 8,638,794	\$ 7,831,304	\$ 7,451,563	\$ 8,484,672	\$ 9,155,337	\$ 9,022,290
15,026,061	15,816,595	17,882,872	17,593,540	19,352,760	19,183,129	22,306,450
9,385,402	10,294,194	11,658,767	12,195,715	12,730,215	12,713,458	14,690,773
20,680,433	21,390,909	24,715,042	22,810,969	23,416,298	28,518,102	28,011,911
6,247,084	5,891,062	6,951,570	7,018,388	5,928,432	6,915,744	7,121,650
10,708,326	10,179,695	10,641,892	9,710,744	10,856,180	10,867,814	11,494,830
4,959	3,663	2,371	1,125	90	15,353	13,727
70,654,299	72,214,912	79,683,818	76,782,044	80,768,647	87,368,937	92,661,631
20,571,400	19,430,379	20,193,508	23,374,090	21,838,911	21,256,922	25,583,314
13,297,015	14,070,190	13,915,885	13,963,910	14,303,104	18,333,276	14,932,401
2,407,448	2,104,304	2,357,453	2,278,475	2,520,693	2,816,260	2,871,206
2,395,488	2,061,718	1,993,488	2,364,013	2,013,130	1,536,945	1,695,343
38,671,351	37,666,591	38,460,334	41,980,488	40,675,838	43,943,403	45,082,264
109,325,650	109,881,503	118,144,152	118,762,532	121,444,485	131,312,340	137,743,895
459,817	459,192	452,257	422,410	519,316	510,873	496,211
492,692	531,818	431,382	373,917	561,380	559,912	727,146
1,339,525	1,462,039	1,296,731	1,779,627	2,061,839	2,048,280	2,657,396
1,379,539	1,498,848	1,296,930	1,512,410	1,633,471	1,680,700	1,549,042
3,203,357	2,785,652	2,441,996	2,311,433	2,772,417	2,711,497	2,221,288
5,057,789	4,749,332	3,571,226	3,082,213	4,759,314	5,012,615	5,094,410
2,115,847	4,257,867	7,442,928	6,684,937	8,537,155	11,521,378	9,011,663
6,611,844	4,121,736	2,082,076	301,329	442,481	756,594	517,409
20,660,410	19,866,484	19,015,526	16,468,276	21,287,373	24,801,849	22,274,565
21,333,272	21,257,248	23,472,031	25,827,905	26,409,506	24,188,285	23,643,379
10,333,756	10,984,033	10,823,688	10,923,878	11,120,923	11,104,825	12,341,277
2,325,817	2,300,476	1,962,160	2,682,490	3,446,198	3,483,977	3,831,941
2,849,666	2,814,852	2,766,477	433,446	577,863	311,883	530,499
16,777	32,973	16,296	16,145	458,398	350,195	820,610
702,674	283,230	464,594	307	445,780	3,744,117	836,273
37,561,962	37,672,812	39,505,246	39,884,171	42,458,668	43,183,282	42,003,979
58,222,372	57,539,296	58,520,772	56,352,447	63,746,041	67,985,131	64,278,544
(49,993,889)	(52,348,428)	(60,668,292)	(60,313,768)	(59,481,274)	(62,567,088)	(70,387,066)
(1,109,389)	6,221	1,044,912	(2,096,317)	1,782,830	(760,121)	(3,078,285)
\$ (51,103,278)	\$ (52,342,207)	\$ (59,623,380)	\$ (62,410,085)	\$ (57,698,444)	\$ (63,327,209)	\$ (73,465,351)

(Continued)

CITY OF SAN CLEMENTE
CHANGES IN NET POSTION
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year		
	2015	2016	2017
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 27,574,540	\$ 29,588,442	\$ 31,038,475
Sales taxes	6,161,540	8,471,708	9,526,134
Sales taxes - in lieu	2,108,680	593,774	-
Transient occupancy taxes	2,220,437	2,332,712	2,798,585
Franchise taxes	2,402,021	2,420,553	2,559,189
Other taxes	1,109,944	1,297,956	1,284,469
Investment earnings	1,019,290	915,646	1,119,283
Miscellaneous	156,497	132,510	709,834
Transfers	346,834	223,110	178,470
Total governmental activities	<u>43,099,783</u>	<u>45,976,411</u>	<u>49,214,439</u>
Business-type activities:			
Investment earnings	289,571	611,323	159,454
Gain (Loss) on sale of capital assets	-	-	-
Miscellaneous	-	-	-
Transfers	<u>(346,834)</u>	<u>(223,110)</u>	<u>(178,470)</u>
Total business-type activities	<u>(57,263)</u>	<u>388,213</u>	<u>(19,016)</u>
Total primary government	<u>\$ 43,042,520</u>	<u>\$ 46,364,624</u>	<u>\$ 49,195,423</u>
Change in Net Position			
Governmental activities	7,926,420	9,611,116	19,525,568
Business-type activities	1,675,400	1,807,270	(3,126,791)
Total primary government	<u>\$ 9,601,820</u>	<u>\$ 11,418,386</u>	<u>\$ 16,398,777</u>

Source: City of San Clemente

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 32,766,143	\$ 34,522,402	\$ 35,975,019	\$ 38,043,798	\$ 39,881,644	\$ 42,353,489	\$ 44,417,134
9,637,366	10,582,298	9,951,359	12,101,085	13,373,313	12,608,182	12,936,153
-	-	-	-	-	-	-
2,805,716	2,630,519	2,162,560	2,306,752	3,491,826	3,342,858	3,237,529
2,612,101	2,675,367	2,666,585	2,595,173	2,611,778	2,686,877	2,806,274
1,356,260	1,450,353	1,365,759	1,314,230	1,340,037	1,436,753	1,145,019
292,346	1,915,078	2,231,220	460,119	(1,921,743)	866,204	3,092,177
37,584	127,908	33,030	130,733	1,717,989	134,423	62,864
307,893	266,740	411,118	55,760	67,637	(872,743)	913,717
49,815,409	54,170,665	54,796,650	57,007,650	60,562,481	62,556,043	68,610,867
296,909	1,779,542	1,959,528	156,245	(1,495,491)	585,057	2,733,623
546,558	-	-	-	-	-	-
-	-	-	4,616	-	-	-
(307,893)	(266,740)	(411,118)	(55,760)	(67,637)	872,743	(913,717)
535,574	1,512,802	1,548,410	105,101	(1,563,128)	1,457,800	1,819,906
\$ 50,350,983	\$ 55,683,467	\$ 56,345,060	\$ 57,112,751	\$ 58,999,353	\$ 64,013,843	\$ 70,430,773
(178,480)	1,822,237	(5,871,642)	(3,306,118)	1,081,207	(11,045)	(1,776,199)
(573,815)	1,519,023	2,593,322	(1,991,216)	219,702	697,679	(1,258,379)
\$ (752,295)	\$ 3,341,260	\$ (3,278,320)	\$ (5,297,334)	\$ 1,300,909	\$ 686,634	\$ (3,034,578)
(Concluded)						

CITY OF SAN CLEMENTE

GOVERNMENTAL FUND TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes	Total
2014-2015	27,578,425	8,032,575	2,220,437	2,471,224	866,760	41,169,421
2015-2016	29,305,520	8,987,220	2,332,712	2,420,553	1,125,711	44,171,716
2016-2017	31,098,009	9,931,846	2,798,585	2,611,748	1,059,264	47,499,452
2017-2018	32,830,754	9,735,366	2,805,716	2,442,737	1,351,480	49,166,053
2018-2019	34,520,615	10,604,298	2,630,519	2,722,550	1,234,427	51,712,409
2019-2020	35,957,404	10,041,359	2,162,559	2,666,585	1,179,282	52,007,189
2020-2021	38,051,465	12,101,085	2,306,752	2,595,173	1,134,657	56,189,132
2021-2022	39,830,557	13,373,313	3,491,826	2,420,871	1,134,907	60,251,474
2022-2023	42,365,502	12,608,182	3,342,858	2,686,882	1,236,503	62,239,927
2023-2024	44,484,797	12,936,153	3,237,529	2,806,274	1,014,099	64,478,852

Note:

This schedule provides more detail information on the tax category by major tax type.

Source: City of San Clemente

CITY OF SAN CLEMENTE

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes	Motor Vehicle Tax	Total
2014-2015	27,574,540	8,270,220	2,220,437	2,402,021	1,081,764	28,180	41,577,162
2015-2016	29,588,442	9,065,482	2,332,712	2,420,553	1,271,569	26,387	44,705,145
2016-2017	31,038,475	9,526,134	2,798,585	2,559,189	1,254,792	29,677	47,206,852
2017-2018	32,766,143	9,637,366	2,805,716	2,612,101	1,321,532	34,728	49,177,586
2018-2019	34,522,402	10,582,298	2,630,519	2,675,367	1,418,892	31,461	51,860,939
2019-2020	35,975,019	9,951,359	2,162,560	2,666,585	1,313,994	51,765	52,121,282
2020-2021	38,043,798	12,101,085	2,306,752	2,595,173	1,266,864	47,366	56,361,038
2021-2022	39,881,644	13,373,313	3,491,826	2,611,778	1,266,026	74,011	60,698,598
2022-2023	42,353,489	12,608,182	3,342,858	2,686,877	1,371,000	65,753	62,428,159
2023-2024	44,417,134	12,936,153	3,237,529	2,806,274	1,145,019	-	64,542,109

Note:

This schedule provides more detail information on the tax category by major tax type.

CITY OF SAN CLEMENTE

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 1,915,086	\$ 1,653,502	\$ 2,509,597	\$ 2,233,368
Committed	19,081,173	16,263,527	14,016,387	14,420,443
Assigned	4,015,657	9,070,803	9,418,192	10,083,367
Unassigned	4,673,038	1,648,449	4,421,779	3,189,426
Total general fund	<u>\$ 29,684,954</u>	<u>\$ 28,636,281</u>	<u>\$ 30,365,955</u>	<u>\$ 29,926,604</u>
All other governmental funds				
Nonspendable	\$ 9,933,254	\$ -	\$ -	\$ -
Restricted	34,945,212	49,053,639	47,062,622	46,893,147
Committed	48,563	23,705	96,053	91,580
Assigned	4,337,695	4,374,003	7,214,689	10,149,083
Unassigned	(32,142)	-	-	-
Total all other governmental funds	<u>\$ 49,232,582</u>	<u>\$ 53,451,347</u>	<u>\$ 54,373,364</u>	<u>\$ 57,133,810</u>

Source: City of San Clemente

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,957,463	\$ 1,652,286	\$ 1,603,801	\$ 1,266,678	\$ 921,302	\$ 569,019
14,752,106	15,120,471	14,352,782	15,743,300	16,627,497	20,119,048
7,453,364	5,070,539	5,425,208	9,696,530	10,593,733	9,543,062
6,342,563	4,347,631	6,750,683	4,860,083	3,496,324	4,700,191
<u>\$ 30,505,496</u>	<u>\$ 26,190,927</u>	<u>\$ 28,132,474</u>	<u>\$ 31,566,591</u>	<u>\$ 31,638,856</u>	<u>\$ 34,931,320</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47,087,058	47,502,901	42,334,984	39,309,332	40,200,940	39,250,046
26,751	99,190	291,272	227,354	558,246	46,873
13,797,271	13,809,566	15,089,787	15,391,248	15,582,000	12,809,941
(162,402)	(44,100)	-	(363,144)	(924,667)	(1,486,614)
<u>\$ 60,748,678</u>	<u>\$ 61,367,557</u>	<u>\$ 57,716,043</u>	<u>\$ 54,564,790</u>	<u>\$ 55,416,519</u>	<u>\$ 50,620,246</u>

CITY OF SAN CLEMENTE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 41,169,421	\$ 44,171,716	\$ 47,499,452	\$ 49,166,053
Licenses and permits	1,787,045	1,945,118	1,679,051	2,050,638
Fines and forfeits	673,346	596,246	533,413	537,137
Interest and rentals	2,267,203	3,091,081	3,083,044	3,583,220
Intergovernmental	4,595,852	4,436,712	4,312,721	4,996,307
Charges for services	7,384,801	7,434,014	6,812,143	7,302,530
Developers fees	920,591	1,150,197	917,738	1,292,719
Other	346,524	1,495,784	1,903,481	177,870
Total revenues	<u>59,144,783</u>	<u>64,320,868</u>	<u>66,741,043</u>	<u>69,106,474</u>
Expenditures				
General government	6,116,994	7,400,704	7,390,332	8,568,506
Police	13,139,840	12,282,853	13,969,172	14,820,377
Fire	8,170,808	8,687,558	8,974,200	9,293,075
Public works	6,401,382	10,761,232	11,137,408	12,571,097
Community development	16,327,068	5,390,017	5,745,947	5,169,651
Beaches, parks and recreation	11,658,520	6,214,570	6,093,381	6,606,598
Capital outlay	8,951,082	9,411,552	8,767,026	9,763,968
Debt service:				
Property tax shift	-	-	-	-
Principal retirements	115,000	125,000	1,215,000	-
Interest and fiscal charges	123,678	116,400	388,028	-
Total expenditures	<u>71,004,372</u>	<u>60,389,886</u>	<u>63,680,494</u>	<u>66,793,272</u>
Excess of revenues over (under) expenditures	(11,859,589)	3,930,982	3,060,549	2,313,202
Other financing sources (uses)				
Transfers in	2,591,784	3,841,952	6,277,187	5,881,091
Transfers out	(3,033,950)	(4,602,842)	(6,686,045)	(5,873,198)
Total other financing sources (uses)	<u>(442,166)</u>	<u>(760,890)</u>	<u>(408,858)</u>	<u>7,893</u>
Redevelopment agency dissolution	-	-	-	-
Net change in fund balances	<u>\$ (12,301,755)</u>	<u>\$ 3,170,092</u>	<u>\$ 2,651,691</u>	<u>\$ 2,321,095</u>
Debt service as a percentage of noncapital expenditures	0%	0%	3%	0%

Source: City of San Clemente

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 51,712,409	\$ 52,007,189	\$ 56,189,132	\$ 60,251,474	\$ 62,239,927	\$ 64,478,852	
1,838,700	1,490,050	1,424,420	1,750,205	1,783,903	1,519,620	
499,151	368,221	347,142	676,470	521,002	681,956	
5,625,317	5,247,225	2,440,552	564,193	3,812,974	6,456,326	
6,253,060	6,385,292	6,439,583	9,003,330	10,657,369	7,890,666	
7,113,418	6,042,013	6,514,812	7,994,321	8,062,444	8,326,322	
533,088	765,529	232,525	691,606	554,739	171,773	
232,310	531,784	244,429	1,814,839	435,044	166,560	
73,807,453	72,837,303	73,832,595	82,746,438	88,067,402	89,692,075	
9,169,504	7,692,317	7,315,232	8,075,644	8,661,083	7,245,504	
15,819,412	17,730,311	17,702,785	20,429,130	21,180,144	21,566,018	
10,094,718	11,338,546	12,052,309	13,380,161	14,207,277	13,843,570	
13,926,621	15,851,923	15,173,258	15,923,413	17,071,378	24,422,026	
5,623,819	5,943,889	6,508,849	6,030,963	6,558,062	6,333,849	
6,682,913	6,773,454	6,006,094	7,219,471	7,424,095	7,969,852	
8,563,446	11,863,671	10,839,795	11,867,358	11,168,626	10,826,793	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
69,880,433	77,194,111	75,598,322	82,926,140	86,270,665	92,207,612	
3,927,020	(4,356,808)	(1,765,727)	(179,702)	1,796,737	(2,515,537)	
6,728,848	3,912,936	3,159,678	13,486,983	3,542,776	9,230,365	
(6,462,108)	(3,251,818)	(3,103,918)	(13,419,346)	(4,415,519)	(8,218,637)	
266,740	661,118	55,760	67,637	(872,743)	1,011,728	
-	-	-	-	-	-	
\$ 4,193,760	\$ (3,695,690)	\$ (1,709,967)	\$ (112,065)	\$ 923,994	\$ (1,503,809)	
0%	0%	0%	0%	0%	0%	

CITY OF SAN CLEMENTE

ASSESSED VALUE AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	City		Total Taxable Assessed Value	Total Direct Tax Rate
	Secured Value	Unsecured Value		
2014 - 2015	13,371,545,438	211,419,301	13,582,964,739	1.00%
2015 - 2016	14,245,614,867	201,818,644	14,447,433,511	1.00%
2016 - 2017	15,045,607,490	224,270,282	15,269,877,772	1.00%
2017 - 2018	15,857,802,031	221,162,837	16,078,964,868	1.00%
2018 - 2019	16,674,273,500	230,062,545	16,904,336,045	1.00%
2019 - 2020	17,548,953,258	234,956,652	17,783,909,910	1.00%
2020 - 2021	18,317,760,382	242,138,009	18,559,898,391	1.00%
2021 - 2022	19,086,061,309	245,213,111	19,331,274,420	1.00%
2022 - 2023	20,330,118,944	290,160,035	20,620,278,979	1.00%
2023 - 2024	21,487,785,909	317,220,755	21,805,006,664	1.00%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price for the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitation described above.

Source: Orange County Auditor Controller's Office

Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Taxable Actual Value
19,988,958,962	147%
21,671,150,267	150%
23,362,912,991	153%
25,243,974,843	157%
26,370,764,230	156%
27,742,899,460	156%
28,953,441,490	156%
30,156,788,095	156%
32,373,837,997	157%
34,233,860,462	157%

CITY OF SAN CLEMENTE

PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS (1)
(per \$100 of assessed value)

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Metropolitan Water District	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035
Capistrano Unified School District (various issues)	0.0090	0.0085	0.0084	0.0080
Total Basic Tax Levy per Article 13A of California State Constitution	1.0000	1.0000	1.0000	1.0000
	<u>\$ 1.0125</u>	<u>\$ 1.0120</u>	<u>\$ 1.0119</u>	<u>\$ 1.0115</u>

Note:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Capistrano Unified School District bonds.

Source: Orange County Auditor Controller's Office

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035
0.0079	0.0075	0.0076	0.0073	0.0069	0.0063
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
\$ 1.0114	\$ 1.0110	\$ 1.0111	\$ 1.0108	\$ 1.0104	\$ 1.0098

CITY OF SAN CLEMENTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	Type of Business	2024			2015		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Outlets at San Clemente	Real Estate	\$ 186,625,609	1	0.86%			
TA Seacrest Apartments LLC	Real Estate	148,098,577	2	0.68%	-		
Trea Calle Del Cerro LLC	Real Estate	99,178,695	3	0.46%	-		
Bre-FMCA LLC	Real Estate	70,832,101	4	0.33%	64,175,428	3	0.47%
Centro Watt Operating Owner I LLC	Real Estate	56,809,059	5	0.26%	48,702,749	5	0.36%
Talega Village Center LLC	Retail	47,253,893	6	0.22%	28,750,995	7	0.21%
BEX Portfolio Inc.	Real Estate	36,172,637	7	0.17%	-		
Christopher R Redlich Jr Trust	Real Estate	34,545,849	8	0.16%	-		
Target Corporation	Retail	30,425,077	9	0.14%	29,077,832	6	0.21%
Olen Properties Corporation	Real Estate	29,540,895	10	0.14%	-		
Won and Jay Inc.	Retail	-			23,146,757	9	0.17%
LV Marblehead LLC	Real Estate	-			153,694,325	1	1.12%
WNG San Clemente 368 LLC	Real Estate	-			97,648,447	2	0.71%
GS Whispering Winds LLC	Real Estate	-			57,141,540	4	0.42%
Villa San Clemente LLC	Real Estate	-			25,239,715	8	0.18%
Yacoel Properties 1 LLC	Real Estate	-			20,752,003	10	0.15%
		<u>\$ 739,482,392</u>		<u>3.39%</u>	<u>\$ 548,329,791</u>		<u>4.01%</u>

Source: Orange County Assessor's Office

CITY OF SAN CLEMENTE

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	
		Amount	Percent of Levy		Amount	Percent of Levy	Amount	Percent of Levy
2014 - 2015	30,636,198	30,084,737	98.20%	433,010	30,517,747	99.61%	419,422	1.37%
2015 - 2016	31,126,117	30,379,271	97.60%	355,377	30,734,648	98.74%	1,194,948	3.84%
2016 - 2017	34,980,713	34,922,313	99.83%	294,822	35,217,135	100.68%	257,450	0.74%
2017 - 2018	36,877,029	36,576,103	99.18%	288,426	36,864,529	99.97%	301,131	0.82%
2018 - 2019	38,515,421	38,156,750	99.07%	311,954	38,468,704	99.88%	334,561	0.87%
2019 - 2020	40,117,929	39,827,990	99.28%	236,753	40,064,743	99.87%	380,204	0.95%
2020 - 2021	41,731,668	41,429,957	99.28%	254,386	41,684,343	99.89%	431,635	1.03%
2021 - 2022	43,704,651	43,068,658	98.54%	325,105	43,393,763	99.29%	207,626	0.48%
2022 - 2023	46,688,948	46,389,076	99.36%	260,008	46,649,084	99.91%	263,778	0.56%
2023 - 2024	48,372,911	48,463,685	100.19%	289,590	48,753,275	100.79%	633,877	1.31%

Source: Orange County Auditor Controller's Office

CITY OF SAN CLEMENTE

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	
	Certificates of Participation	Leases	Subscription Based IT Payable	State Revolving Fund Loan	Subscription Based IT Payable
2014 - 2015	1,340,000	57,273	-	14,494,395	-
2015 - 2016	1,215,000	17,703	-	13,863,037	-
2016 - 2017	-	148,979	-	13,267,421	-
2017 - 2018	-	115,826	-	12,658,702	-
2018 - 2019	-	81,377	-	12,036,591	-
2019 - 2020	-	47,306	-	11,400,794	-
2020 - 2021	-	12,040	-	10,751,008	-
2021 - 2022	-	-	-	10,086,928	-
2022 - 2023	-	-	611,816	9,408,238	-
2023 - 2024	-	134,414	242,184	8,714,616	171,639

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Amount excludes special assessment debt for which the City is not liable and acts only as a conduit.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: City of San Clemente

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita (1)</u>
15,891,668	0.52%	243
15,095,740	0.47%	228
13,416,400	0.40%	203
12,774,528	0.36%	195
12,117,968	0.32%	185
11,448,100	0.30%	177
10,763,048	0.26%	168
10,086,928	0.22%	159
10,020,054	0.18%	158
9,262,853	0.15%	149

CITY OF SAN CLEMENTE
PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operations and Maintenance, Exclusive of Depreciation (2)	Net Revenue Available for Debt Service (1)	State Revolving Fund Loan			
				Debt Service Requirements			
				Principal	Interest	Totals	Coverage (3)
2014 - 2015	\$ 20,727,188	\$ 18,172,216	\$ 2,554,972	\$ -	\$ -	\$ -	-
2015 - 2016	18,505,017	16,637,346	1,867,671	631,358	269,244	900,602	2.1
2016 - 2017	18,982,260	16,274,681	2,707,579	595,616	304,987	900,603	3.0
2017 - 2018	20,931,603	18,414,487	2,517,116	608,719	291,883	900,602	2.8
2018 - 2019	22,167,721	17,799,427	4,368,294	622,111	278,491	900,602	4.9
2019 - 2020	22,356,425	18,422,372	3,934,053	635,797	264,805	900,602	4.4
2020 - 2021	25,957,903	21,435,840	4,522,063	649,785	250,817	900,602	5.0
2021 - 2022	25,683,546	19,602,768	6,080,778	664,080	236,522	900,602	6.8
2022 - 2023	28,164,127	19,163,941	9,000,186	678,690	221,912	900,602	10.0
2023 - 2024	25,639,529	23,373,373	2,266,156	693,621	206,981	900,602	2.5

Notes:

(1) "Net Revenues" is defined as all Revenues received less the Operations and Maintenance Costs for the Fiscal Year.

(2) "Operations and Maintenance Costs" include all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System, but exclude depreciation replacement and obsolescence charges or reserves and amortization of intangibles.

(3) The City Net Revenues shall equal the debt service on the Obligations. Future debt may be issued if it is not senior to the State Revolving Fund debt and at least 1.2 times the highest years debt service and other additional conditions are met.

Source: City of San Clemente

CITY OF SAN CLEMENTE

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2024

Assessed valuation was \$21,805,006,664 in FY 2023-24

	% Applicable	Debt June 30, 2024
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Metropolitan Water District	0.563%	\$ 102,522
Capistrano Unified School District School Facilities Improvement District No. 1	22.57%	1,514,757
Santa Margarita Water District CFD No. 99-1	100%	43,205,000
Capistrano Unified School District Community Facilities District No. 90-2	100%	45,945,000
City of San Clemente Community Facilities District No. 99-1	100%	2,050,000
City of San Clemente Community Facilities District No. 2006-1	100%	51,300,000
City of San Clemente 1915 Act Bonds	100%	4,285,000
TOTAL OVERLAPPING TAX AND ASSESSED DEBT		\$ 148,402,279
OVERLAPPING GENERAL FUND DEBT:		
<u>Overlapping:</u>		
Orange County General Fund Obligations	2.832%	12,471,703
Orange County Board of Education Certificates of Participation	2.832%	284,050
Capistrano Unified School District Certificates of Participation	18.982%	3,681,867
<u>Direct (1):</u>		
City of San Clemente State Revolving Loan	100%	8,714,616
City of San Clemente Leases	100%	134,414
City of San Clemente Subscription Based IT Payable	100%	413,823
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 25,700,473
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 174,102,752
TOTAL CITY DIRECT DEBT (1)		\$ 9,262,853
TOTAL OVERLAPPING DEBT		\$ 164,839,899
COMBINED DIRECT AND OVERLAPPING DEBT		\$ 174,102,752

Notes:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assess property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.68%
Total Direct Debt	0.04%
Combined Total Debt	0.80%

Source: California Municipal Statistics

CITY OF SAN CLEMENTE

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Assessed valuation	\$ 13,582,964,739	\$ 13,666,850,501	\$ 14,447,433,531	\$ 14,761,937,790
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	3,395,741,185	3,416,712,625	3,611,858,383	3,690,484,448
Debt limit percentage	15%	15%	15%	15%
Debt limit	509,361,178	512,506,894	541,778,757	553,572,667
Total net debt applicable to limit				
Legal debt margin	<u>\$ 509,361,178</u>	<u>\$ 512,506,894</u>	<u>\$ 541,778,757</u>	<u>\$ 553,572,667</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of fair value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
Orange County Tax Assessor's Office

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 15,269,877,772	\$ 17,247,120,887	\$ 18,150,006,382	\$ 18,559,898,391	\$ 19,328,327,834	\$ 20,620,278,979
25%	25%	25%	25%	25%	25%
3,817,469,443	4,311,780,222	4,537,501,596	4,639,974,598	4,832,081,959	5,155,069,745
15%	15%	15%	15%	15%	15%
572,620,416	646,767,033	680,625,239	695,996,190	724,812,294	773,260,462
<u>\$ 572,620,416</u>	<u>\$ 646,767,033</u>	<u>\$ 680,625,239</u>	<u>\$ 695,996,190</u>	<u>\$ 724,812,294</u>	<u>\$ 773,260,462</u>
0%	0%	0%	0%	0%	0%

CITY OF SAN CLEMENTE
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (2)	Median Age (5)	Percentage High School Grad or Higher (5)	School Enrollment (3)	Unemployment Rate (4)
2014 - 2015	65,399	3,051,648	46,662	40	96%	9,674	3.60%
2015 - 2016	66,245	3,241,792	48,936	41	95%	9,433	3.70%
2016 - 2017	65,975	3,383,938	51,291	38	95%	9,392	3.30%
2017 - 2018	65,543	3,575,647	54,554	42	95%	9,407	2.80%
2018 - 2019	65,405	3,762,909	57,532	43	95%	9,372	2.30%
2019 - 2020	64,581	3,844,665	59,532	44	94%	9,196	13.30%
2020 - 2021	64,065	4,116,713	64,258	44	95%	8,408	7.90%
2021 - 2022	63,380	4,677,958	73,808	44	95%	8,284	2.40%
2022 - 2023	63,237	5,444,055	86,090	39	90%	8,169	3.00%
2023 - 2024	62,297	6,000,131	96,315	44	93%	7,940	3.10%

Sources: (1) State Department of Finance and 2010 U.S. Census
(2) Office of Economic Development
(3) California Department of Education/Local Unified School District
(4) State of California Employment Development Department
(5) U.S. Census Bureau

CITY OF SAN CLEMENTE

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2024			2015		
	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Capistrano Unified School District (CUSD)	557	1	1.79%	554	1	1.73%
Fisherman's Restaurant	299	2	0.96%	175	7	0.55%
Albertsons	261	3	0.84%			
ICU Medical	243	4	0.78%	130	10	0.41%
Ralphs	218	5	0.70%	225	3	0.70%
Glaukos Corp	224	6	0.72%			
Target Retail Store	198	7	0.64%	180	6	0.56%
Walmart Superstore	184	8	0.59%	252	2	0.79%
City of San Clemente	179	9	0.58%	192	5	0.60%
Lowe's	154	10	0.50%	147	9	0.46%
Saddleback Memorial Medical Center				207	4	0.65%
US Post Office				150	8	0.47%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: State Economic Development Department
City of San Clemente
MuniServices, LLC

CITY OF SAN CLEMENTE

FULL-TIME EQUIVALENT CITY
GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function										
General government	32	31	26	26	34	33	34	34	34	35
Public safety										
Police (contract)	52	50	50	50	52	53	53	54	54	58
Fire (contract)	50	50	42	45	39	39	39	39	39	39
Marine Safety	7	7	7	7	7	7	7	7	7	7
Community Development										
Engineering	20	21	21	19	17	16	15	15	15	15
Building	14	13	13	13	13	11	11	11	11	11
Code Compliance	5	5	5	6	6	6	7	9	10	12
Planning	10	10	9	10	10	11	11	11	11	11
Administration	2	3	4	4	4	3	3	3	3	3
Public Works	3	3	2	3	6	6	7	6	6	6
Maintenance	26	25	25	25	25	23	23	23	23	23
Beaches, Parks, and Recreation	19	18	18	19	19	19	18	18	18	19
Water	25	26	26	27	27	25	25	25	25	25
Sewer	19	19	20	21	21	20	19	20	20	20
Clean Ocean	3	3	3	3	3	3	3	1	1	1
Storm Drain Utility	3	3	3	3	3	3	3	3	3	3
Solid Waste	1	1	1	1	1	1	1	1	1	1
Golf Course	9	9	10	9	9	9	9	10	10	10
Total	<u>300</u>	<u>297</u>	<u>286</u>	<u>291</u>	<u>294</u>	<u>288</u>	<u>288</u>	<u>289</u>	<u>291</u>	<u>298</u>

Source: City of San Clemente Budget



CITY OF SAN CLEMENTE

CAPITAL ASSET STATISTICS
BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	Fiscal Year				
	2015	2016	2017	2018	2019
Public safety					
Police:					
Stations	1	1	1	1	1
Fire stations	3	3	3	3	3
Highways and streets					
Streets (miles)	137.00	137.00	138.00	138.00	138.00
Streetlights	3,503	3,615	3,654	3,705	3,712
Traffic signals	80	80	81	81	81
Beaches, parks and recreation					
Parks	21	25	22	23	23
Swimming pools	4	4	4	4	4
Libraries	-	-	-	-	-
Community centers	1	1	1	1	1
Municipal golf courses	1	1	1	1	1
Water					
Water mains (miles)	213.10	213.10	212.80	230.00	230.00
Fire hydrants	2,281	2,302	2,362	2,376	2,391
Maximum daily capacity (Acre Feet)*	263.92	263.92	263.92	263.92	263.92
Sewer					
Sanitary sewers (miles)	154.00	163.70	171.80	180.00	180.00
Storm sewers (miles)	62.50	62.50	77.00	77.00	78.00
Maximum daily treatment capacity (thousands of gallons)	6,976	6,976	6,976	6,976	6,976

* This was changed retrospectively from thousands of gallons to acre feet in fiscal year 2017.

One acre foot equals 325851.43188913 gallons.

Source: City of San Clemente

Fiscal Year				
2020	2021	2022	2023	2024
1	1	1	1	1
3	3	3	3	3
138.00	138.00	138.00	138.00	138.00
3,712	3,712	3,712	3,712	3,712
81	81	81	82	82
23	23	23	23	23
4	4	4	4	4
-	-	-	-	-
1	1	1	1	1
1	1	1	1	1
230.00	230.00	230.00	230.00	230.00
2,397	2,419	2,419	2,449	2,453
263.92	263.92	263.92	263.92	263.92
180.00	180.00	180.00	162.00	162.00
77.00	77.00	81.00	79.00	79.00
6,976	6,976	6,976	6,976	6,976

CITY OF SAN CLEMENTE

OPERATING INDICATORS
BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	Fiscal Year				
	2015	2016	2017	2018	2019
Police					
Number of calls for service	26,217	28,089	31,632	30,515	31,081
Number of traffic collision reports	377	354	321	472	809
Parking citations issued	15,231	14,012	7,735	12,250	11,384
Fire					
Number of fire calls	71	83	69	78	53
Number of emergency medical calls	3,317	3,559	3,846	3,825	3,246
Inspections	1,256	1,702	1,332	1,782	1,386
Highways and streets					
Street resurfacing (miles)	5.31	3.87	3.48	9.02	7.20
Beaches, parks and recreation					
Number of recreation classes, activities, and clinics	493	522	609	2,320	3,446
Total experiences in classes, activities, and clinics	173,175	146,196	144,206	17,259	25,553
Total number of facility rentals	1,087	1,051	1,159	7,971	11,246
Golf rounds played	80,091	78,768	77,974	82,514	80,567
Water					
New customers	33	206	82	107	38
Average daily consumption (Acre Feet) ***	25.51	21.08	22.59	24.59	19.37
Sewer					
New customers	26	179	81	104	37
Average daily sewage treatment (thousands of gallons)	3,441	3,192	3,063	3,284	3,693

*** This was changed retrospectively from thousands of gallons to acre feet in fiscal year 2017.

One acre foot equals 325851.43188913 gallons.

**** Recreation system changed from CLASS to Rec1 at the beginning of FY 2018.

Source: City of San Clemente

Fiscal Year				
2020	2021	2022	2023	2024
28,207	11,003	23,844	25,964	18,205
243	123	324	354	237
8,854	6,944	9,586	7,239	12,159
78	153	168	156	167
3,559	4,446	4,921	5,001	4,990
842	1,610	1,459	1,443	1,803
17.49	10.81	31.16	24.83	11.72
6,110	4,145	3,289	2,811	2,857
21,913	23,566	30,441	23,586	24,164
19,219	7,959	15,977	20,384	19,469 ****
70,410	44,286	97,847	94,585	106,255
37	22	7	23	14
19.67	20.40	20.36	17.90	18.21
37	17	7	23	11
3,785	3,780	3,550	3,566	3,578

