



CITY OF SAN CLEMENTE ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR FISCAL YEAR ENDING
June 30, 2023**



*“Spanish Village
by the Sea”*

CITY OF SAN CLEMENTE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Prepared By:
Finance and Administrative Services

INTRODUCTORY SECTION

CITY OF SAN CLEMENTE
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City of San Clemente

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

December 21, 2023

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, 2023.

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, 2023. 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 elected at-large for four-year overlapping terms. The mayor is elected by the City Council for a one-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 63,237, 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, a planned community annexed into the City from the County of Orange, which reached build-out in FY 2015. The City's last undeveloped area, Marblehead Coastal, is mostly developed. 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 and construction are planned. Both these developments increased property taxes significantly during the last ten years. This revenue growth allows the City to maintain a sound financial base and contributes to a strong housing market. The retail and residential development, with its trail system, attracts visitors and is anticipated to grow property taxes and sales tax revenues into the future.

The City of San Clemente finances are stable and the operating position improved over the last year. 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 decreased mildly. 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) 2022-23 and is anticipated to earn this budget award for the FY 2023-24 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 City consolidated certain City operations at a single location after a redesign and construction of an entire floor at City Hall. This consolidation includes the police substation and a new larger Council chambers on the second floor. Council chambers was complete, however some audio visual items will be added to improve functionality in the future. The building new has the administrative functions of the City, including Administration (City Manager, City Clerk, and the Finance and Administrative Services), Engineering, and Community Development (Building/Planning) along with Police operations and the City Council meetings.

The most notable projects completed in FY 2023 are City Hall Council Chambers, various street projects, and utilities capital projects. The street projects include multiple streets with the largest projects related to alleys in various areas throughout the City. The utilities projects completed feature water lines, emergency operations of a pump station, Water Reclamation Plant Electrical improvements.

Capital projects underway at the end of the fiscal year include a variety of street related projects, Steed Park Lighting improvements, a pump station 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 that was established by the recently adopted Housing Element.
- **Utilities Cost-of-Service Study** – The City initiated a sewer cost-of-service study which was completed during the year and approved by City Council after June 30th. The Study prepared rates for a five-year period with proposed rates to fully recover costs to operate the City’s sewer system over a five-year period. The sewer cost of service rates modified rates upon approval and in January during the study and 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 pursuing a renewal of the Clean Ocean Fee.

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. The fee is being reviewed analyzing the needs of the community before a new fee is requested to be approved by the citizens. Additionally, a portion of operations funded is anticipated to be recovered through changes to the Solid Waste fee addressing street sweeping operations to prevent sediment and litter from flowing the Ocean lowering water quality.



- **Coastal Resiliency** – Shoreline erosion and the loss of the sandy beach make beach sand replenishment a City priority. The City has been working with Federal and State agencies for many years to develop and implement a 50-year beach sand restoration project, centered on the City Pier (between Linda Lane and T Street). In summer 2023, the City obtained the final regulatory approval needed to allow the long-awaited project to move toward construction. In November 2023, the City, USACE and their contractor installed the dredge pipeline in anticipation of sand placement activities planned to begin in mid-December 2023. The City will receive approximately 250,000 cubic yards of sand creating a new beach area of roughly 3,700 feet long by 50 feet wide. This beach quality sand is from offshore near the mouth of the Santa Margarita River. The USACE contractor will utilize a hopper dredge to deliver several large sand loads each day during the active construction phase scheduled to begin soon.

Although this federal project is specific to the beach area between Linda Lane and T Street, sand replenishment is a critical concern for all City beaches. The City incorporated a Coastal Administrator in the FY 2024 budget to support and actively lead the effort to develop a

comprehensive, citywide coastal resiliency program focused on public beach restoration and sand retention projects. Components of the City's coastal resiliency strategy include the establishment of a regional coastal resiliency group and participating in the SANDAG Oceanside Littoral Cell Task Force. The Coastal Administrator position will re-establish a shoreline monitoring program, participate in the regional sand replenishment projects, seek grant funding to locate and test additional offshore sand sources, and coordinate with regional resiliency partners including Dana Point, OCTA, the County of Orange and State Parks.

- **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 has worsened with the cost of housing increasing due to cost increases, higher interest rates, and real estate costs. These factors necessitated changes to outreach efforts, code compliance, and enforcement efforts to provide resources and assistance to individuals and seeking permeant solutions. The City is working to provide resources, contacts and assistance and working with other County and State resources 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, 2022. This was the seventeenth consecutive year that the City has 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

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

PLANNING COMMISSION

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

PARKS AND RECREATION COMMISSION

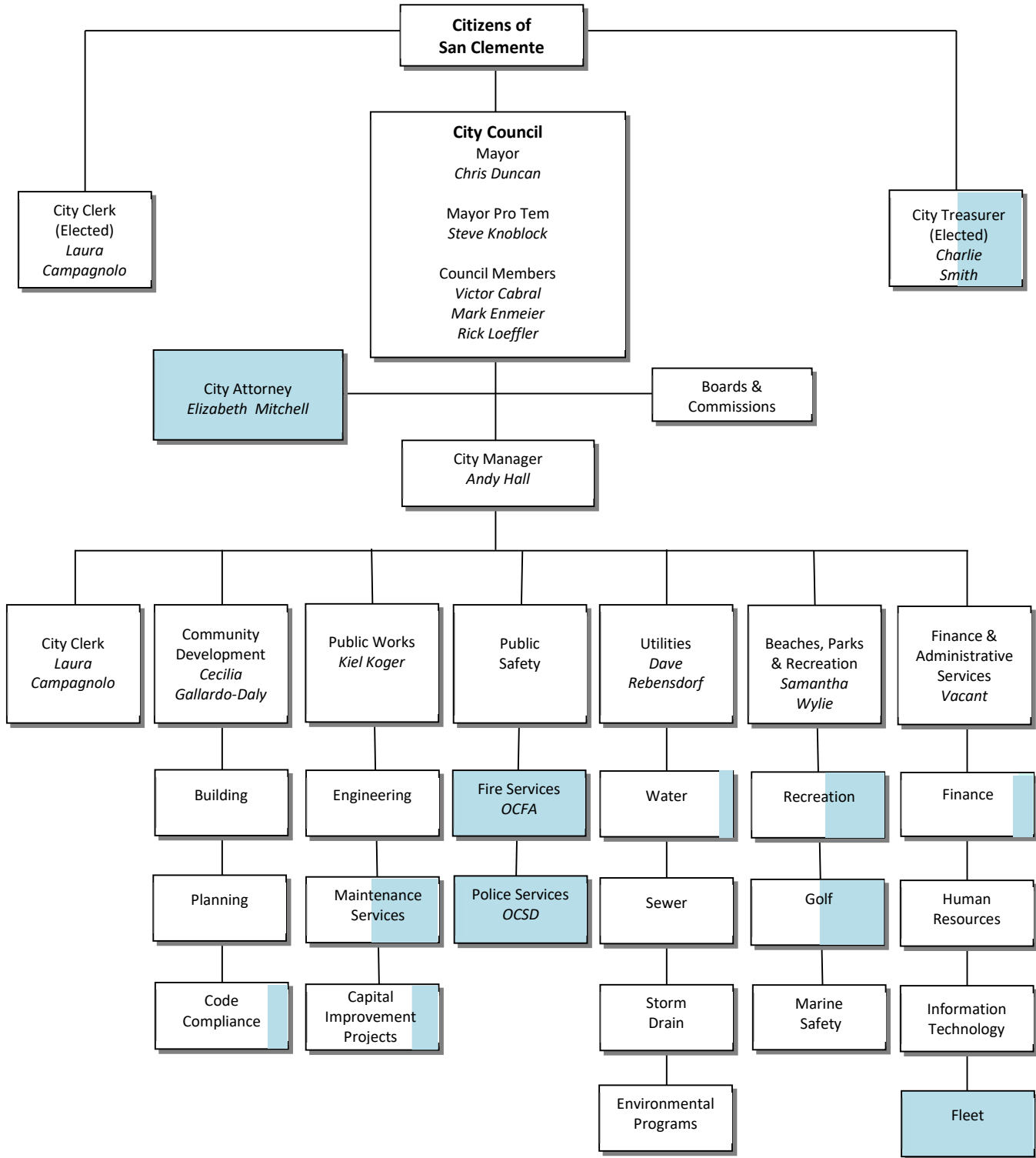
Jennifer Elliott
Rob Feuerstein
Shari Grace
Thor Johnson
Edward Kweskin
Teri Rousseau
Amelia Mae-Weinstein

CITY STAFF

Andy Hall, City Manager

Charlie Smith, City Treasurer
Laura Campagnolo, City Clerk
Elizabeth Mitchell, City Attorney
Kiel Koger, City Engineer/Public Works Director
Dave Rebensdorf, Utilities Director
Samantha Wylie, Beaches, Parks & Recreation Director
Cecilia Gallardo-Daly, 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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S 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 City of San Clemente, California (the "City"), as of and for the year ended June 30, 2023, 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, 2023, 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.

Emphasis of Matter

Change in Accounting Principle

As described in notes to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 schedule for the General Fund, and the required pension and other postemployment benefits schedules, as listed on the table of contents, 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 20, 2023, 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
December 20, 2023



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, 2023 and June 30, 2022. 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 increased \$0.7 million or 0.1% to \$492.9 million as a result of operations
- Net position totals \$288.9 million for governmental and \$204.1 for business-type funds.
- The total program revenues and general revenues were \$132.0 million.
- The net expense of all governmental activities was \$62,567,088. The net revenue of all business activities was \$760,121.
- During the year, the City's governmental fund expenditures exceeded revenues by \$0.9 million.
- The General Fund reported a net change in fund balance of \$0.1 million.
- For the General Fund, actual resources were higher than the final budget by \$2.0 million and actual expenditures were \$9.6 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, 2023 and June 30, 2022.

Table 1
Net Position
(in millions-rounded)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 117.6	\$ 121.6	\$ 68.1	\$ 66.7	\$ 185.8	\$ 188.3
Capital assets, net	<u>213.3</u>	<u>217.2</u>	<u>159.9</u>	<u>159.4</u>	<u>373.2</u>	<u>376.6</u>
Total assets	330.9	338.8	228.0	226.1	558.9	564.9
Deferred outflows of resources	19.0	12.5	3.2	2.5	22.2	15.0
Current liabilities	11.2	16.4	7.0	4.9	18.2	21.3
Long-term liabilities	<u>44.3</u>	<u>31.6</u>	<u>19.6</u>	<u>18.3</u>	<u>63.9</u>	<u>49.9</u>
Total liabilities	55.5	48.0	26.6	23.2	82.1	71.2
Deferred inflow of resources	5.5	14.5	0.6	2.0	6.1	16.5
Net position:						
Net investment in capital assets	212.6	217.2	150.5	149.3	363.1	366.5
Restricted	41.1	39.8	6.2	11.2	47.3	51.0
Unrestricted	<u>35.1</u>	<u>31.7</u>	<u>47.4</u>	<u>42.9</u>	<u>82.5</u>	<u>74.6</u>
Total Net Position	<u>\$ 288.8</u>	<u>\$ 288.8</u>	<u>\$ 204.1</u>	<u>\$ 203.4</u>	<u>\$ 492.9</u>	<u>\$ 492.1</u>

City assets and deferred outflows exceeded liabilities and deferred inflows by \$492.9 million at June 30, 2023 as compared to \$492.1 million at June 30, 2022. The City's net position increased by \$0.7 million from the prior fiscal year, excluding a restatement due to the implementation of GASB 96.

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. Capital assets decreased \$3.4 million, while the total net investment in capital assets (net position) decreased \$3.4 million.

The restricted portion of the City's net position (10 percent) represents resources that are subject to external restrictions on how they may be used. These restricted net position decreased \$3.7 million due to amounts restricted for capital construction and activities. This reduction was due primarily to capital projects funded by sewer connection fees including the purchase of reservoir and pump station capacity during FY 2022-23.

The unrestricted net position balance of \$82.5 million may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$47.4 million is held by the business-type activities (with amounts set-aside for capital replacement) and \$35.1 million by the governmental activities. This amount increased by \$4.5 million from the prior year related to business-type activities due to rate changes and increased by \$3.4 million for governmental activities as a result of property tax and grant receipts.

A condensed summary of activities follows that total net position decreased by \$1.3 million during the year, excluding the restatement of \$0.4 million.

Table 2
Summary of Activities
(in millions - rounded)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues:						
Charges for services	\$ 12.5	\$ 12.3	\$ 39.1	\$ 41.6	\$ 51.6	\$ 53.9
Operating grants/contrib.	11.5	8.5	0.3	0.5	11.8	9.0
Capital grants/contrib.	0.8	0.4	3.7	0.4	4.5	0.8
General revenues:						
Property taxes	42.4	39.9	-	-	42.4	39.9
Sales taxes	12.6	13.4	-	-	12.6	13.4
Other taxes and fees	7.5	7.4	-	-	7.5	7.4
Other, including investment	<u>1.0</u>	<u>(0.2)</u>	<u>0.6</u>	<u>(1.5)</u>	<u>1.6</u>	<u>(1.7)</u>
Total revenues	88.3	81.8	43.7	41.0	132.0	122.8
Expenses:						
General government	9.3	8.5	-	-	9.3	8.5
Public safety	31.9	32.1	-	-	31.9	32.1
Public works	28.5	23.4	-	-	28.5	23.4
Community development	6.9	5.9	-	-	6.9	5.9
Beaches, parks & recreation	10.9	10.9	-	-	10.9	10.9
Water	-	-	21.3	21.9	21.3	21.9
Sewer	-	-	18.3	14.3	18.3	14.3
Golf	-	-	2.8	2.5	2.8	2.5
Clean Ocean	-	-	1.3	1.7	1.3	1.7
Solid Waste	<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>
Total expenses	87.5	80.8	43.9	40.7	131.4	121.5
Net position change						
before transfers	0.8	1.0	(0.2)	0.3	0.6	1.3
Transfers	<u>(0.9)</u>	<u>0.1</u>	<u>0.9</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Change in net position	(0.1)	1.1	0.7	0.2	0.6	1.3
Net position—July 1, original	288.8	287.3	203.3	203.1	492.1	490.4
Restatement	<u>0.1</u>	<u>0.4</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.5</u>
Net position—July 1, as restated	<u>288.9</u>	<u>287.7</u>	<u>203.4</u>	<u>203.2</u>	<u>492.3</u>	<u>490.9</u>
Net position—June 30	<u>\$ 288.8</u>	<u>\$ 288.8</u>	<u>\$ 204.1</u>	<u>\$ 203.4</u>	<u>\$ 492.9</u>	<u>\$ 492.2</u>

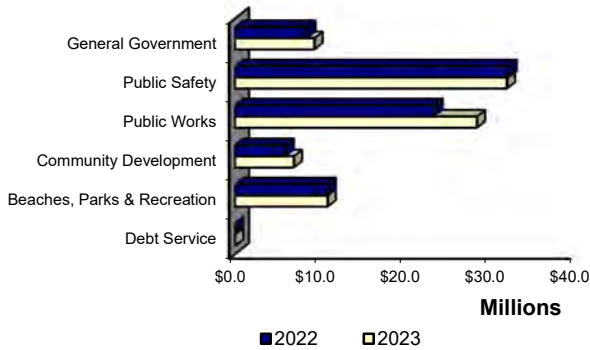
Governmental-type activities

The City's governmental activities net position was flat as compared to an increase of \$1.1 million in the prior year as revenue kept pace with increases to public works maintenance and transit related costs. Revenues in FY 2023 increase to \$88.3 million compared to \$81.8 million in FY 2022. Revenue increases from the prior year is mostly due to higher property values and increase in property transfer tax. Property taxes increased \$2.5 million from the prior year driven by higher values and property sales resulting in property transfer taxes. Sales taxes decreased \$0.8 million as sales taxes revenue lowered due to sales activity for consumer goods, business and fuel sales.

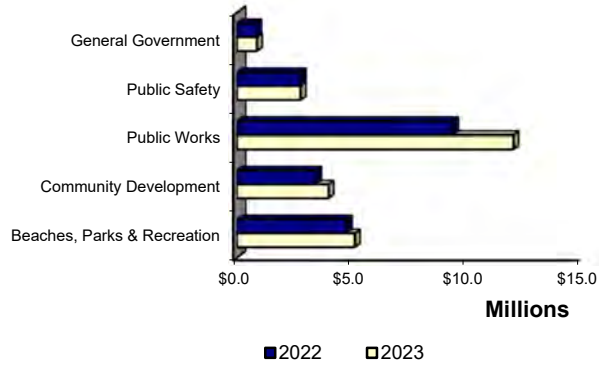
Expenses increased by \$6.7 million from FY 2022 and were \$0.8 million less than revenues in the current year. The expense change is the result of 1) \$1 million pension paydown in General government 2) public safety costs were reduced by \$0.2 million as police and fire contract increases were offset by pension cost accrual impacts, 3) public works increase of \$5.2 million for sand replenishment, street and maintenance

related contract costs, and utility costs, and 4) community development increase of \$1.0 million due to one-time studies, the implementation of software, and higher contract assistance and salary costs.

Expenses – Governmental Activities



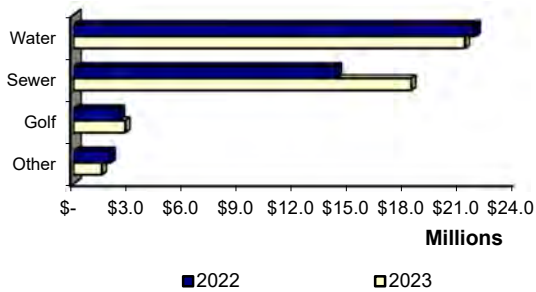
Program Revenues – Governmental Activities



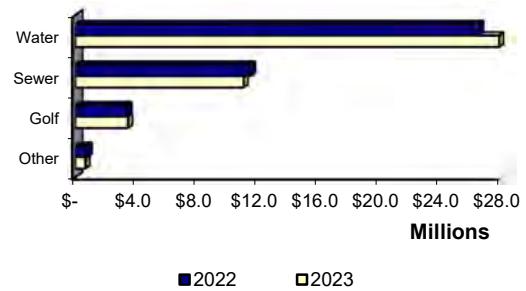
Business-type activities

Business-type activities net position increased by \$0.7 million as compared to an increase of \$0.2 million in the previous year. Revenue changes were due to capital grants and investment earnings exceeding the impact of lower water service charges of \$2.5 million resulting from a heavy rain year. Capital grants increased \$3.3 million based on contributions funding recycled water reservoir capacity and investment income improved \$2.1 million due to higher interest environment. Total expenses increase \$3.2 million from the prior year resulting from higher Golf and Sewer costs from operating activities and one-time maintenance projects well Clean Ocean costs were lower as a new fee is reviewed.

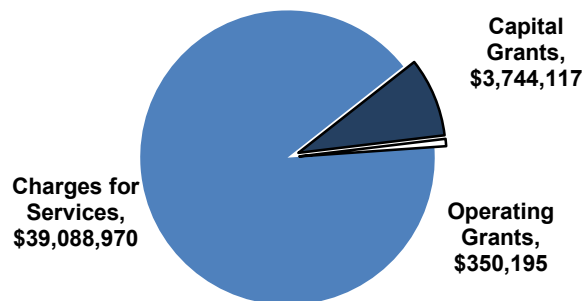
Expenses – Business-type activities



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

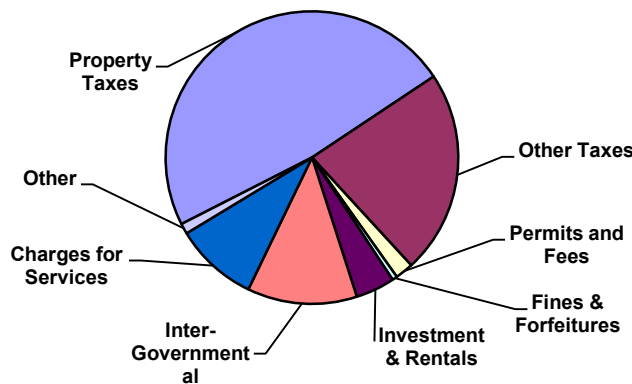
The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's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

The City's governmental funds reported ending fund balances of \$87.1 million. Unassigned fund balance, which is available for spending at the City's discretion, constitutes \$2.6 million. The remainder of fund balance is not available for new spending because it has already been either: 1) in a non-spendable form such as loans receivable (\$0.9 million), 2) restricted based on legislation or under agreements with external parties (\$40.2 million), 3) committed based on City Council action (\$17.2 million), or 4) assigned by a Council appointed designee for specific purposes (\$26.2 million). Governmental fund balances, in total, increased by \$0.9 million during the fiscal year, mostly due to the Gas Tax Fund.

Governmental funds, in total, had \$88.1 million of revenues and taxes represented 71% of the revenues. The change from the prior year amount of \$82.7 million was due to the following factors: 1) an increase in General Fund property taxes from higher valuations, taxes from the new residential development sales, and reassessments due to owner changes, 2) intergovernmental revenues from one-time grants for planning (General Fund) and Transit Fund grants, and 3) higher investment revenues in all governmental funds from fair value adjustments and higher rates of return. In the General Fund, other taxes decreased due to slightly lower sales taxes and other revenues decreased due to a one-time revenue of \$1.6 million in the prior year.

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

**Revenues by Source – Governmental Funds
Fiscal Year 2023**



<u>Function</u>	<u>2023</u> <u>Amounts</u>	<u>% of</u> <u>Total</u>	<u>2022</u> <u>Amounts</u>	<u>% of</u> <u>Total</u>
Property Taxes	\$ 42.4	48 %	\$ 39.6	48 %
Other Taxes	19.8	23 %	20.7	25 %
Permits & Fees	1.8	2 %	1.7	2 %
Fines & Forfeitures	0.5	1 %	0.7	1 %
Investment & Rentals	3.8	4 %	0.6	1 %
Intergovernmental	10.7	12 %	9.0	11 %
Charges for Services	8.1	9 %	8.0	9 %
Other	1.0	1 %	2.4	3 %
	<u>\$ 88.1</u>	<u>100 %</u>	<u>\$ 82.7</u>	<u>100 %</u>

Governmental fund expenditures combined were \$86.3 million this year. When compared to last year's amount of \$82.9 million there was an increase of \$3.4 million.

The largest increase was in public works (\$1.1 million) due to improved staffing levels, maintenance projects, and maintenance contract costs and land stabilization activity levels due to the wet year and storm conditions. Police expenditures increased \$0.8 million from the prior year due to contract increases, and one-time payments on pension. Fire increases were the next largest increase (\$0.8 million) due to contract increases and one-time pension payments. General government increased \$0.5 million due to a one-time pension paydown, community development increased by \$0.5 as contract assistance and studies were done beaches, parks and recreation increased \$0.2 million due to activity level increases, capital outlay decreased \$0.7 million.

Business Type Funds and Proprietary Funds

The total Business Type Net Position increased from \$203.4 million to \$204.1 million or by 0.1%, with a change in net position of \$0.7 million. For the Proprietary Enterprise funds, the total Net position was \$202.6 prior to the adjustment for interest service fund activities of \$1.5 million. In total, unrestricted net position for proprietary funds increased from the previous year.

The Net position includes net investment in capital assets of \$150.5 million, restricted net position of \$6.2 million and unrestricted net position of \$45.9 million. Unrestricted net position does include \$41.8 million set aside internally for infrastructure asset replacement. Unrestricted net position of the Water, Sewer and Golf operations at the end of the year amounted to \$28.2 million, \$12.1 million and \$4.3 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 \$0.6 million and this year has an increase of \$0.7 million. Total operating revenues decreased as a result of a wet year impacting water service revenues by \$2.5 million, however this decrease was offset by higher capital contributions used to purchased recycled water capacity, golf course fees, and higher investment income due to the improved market conditions. The net revenue impact on revenues was \$2.8 million higher in FY 2022.

Costs increased related to payments under an agreement with Santa Margarita Water District and higher maintenance projects in the sewer fund partially related to the emergency operations of a pump station, overall costs increased by approximately \$3.7 million. Additionally, a \$1.0 million one-time transfer was completed from the General Fund to support Clean Ocean fund activities during the period that the fee is being reviewed for renewal.

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 \$31.6 million. Unassigned fund balance is \$3.5 million or 11.1% of the total fund balance. In total, the General Fund balance was flat compared to the prior year and represents 36% of all governmental fund balances.

The original revenue budget for General Fund revenues was \$72.3 million. When this amount is compared to the final budgeted amount of \$73.9 million there was a \$1.6 million increase. The General Fund budget increase was from mid-year adjustments based on property values, franchise fees and activity levels. These activity level changes provided for budget increases to property taxes, grants received, and building permit revenues based on service levels. These increases were based on a property taxes and assessments, one-time grants, and higher activity levels. Activity levels have improved from pandemic lows and resulted in a positive variance of \$2.0 million from the General Fund final revenue budget.

Tax revenues total \$62.0 million and exceeded the final budget amount by \$1.4 million. Strong property sales caused property taxes to exceed budget by \$1.2, transient occupancy taxes exceeded budget by \$0.3 million, however sales taxes were slightly lower than budget by \$0.4 million. Property tax revenues

exceeded expectations as a strong housing market continued with secured taxes exceeding budget by \$0.6 million and supplemental assessments exceeding budget by \$0.6 million. Transient occupancy taxes exceeded expectations due to more activity, while sales taxes were under budget from lower fuel prices and other consumer and business spending. In total, taxes increased from \$60.1 million in the prior year. License and permits exceeds budget by \$0.6 million due to development activity keeping pace with prior year levels. FY 2022 revenues were \$1.8 million and the revenues were flat with the prior year due to continued development including infill development and higher than expected business development. Fines and forfeits revenue was in line with prior year and budget expectations. Investment and rental revenues were lower than budget due to delays in concession operations being open contributing to an unfavorable budget variance of \$0.2 million. Intergovernmental revenues were lower than FY 2022 by \$0.3 million due to one-time grants for transit activities that are now reported in a separate fund and the actual was lower than budget due to one-time grants for a study anticipated to be done next year. Charges for services totaled \$7.3 million, exceeding budget by \$0.7 million due to higher activity levels than originally budgeted in recreation fees (\$0.3 million) plan check fees (\$0.2 million), ambulance fees (\$171,000), and parking fees (\$134,000). Activity levels were higher than originally budget and exceeded expectations.

General Fund budgeted expenditures increased from the original \$83.4 million to final budget amount of \$84.6 million. Mid-year budget adjustments were made to address service impacts as costs increased from pandemic lows for items such as energy and tree contracts as a result of storm activity. Additionally, City Council approved other adjustments to enhance pool staffing, a geotechnical study, land subsidence costs, and a coastal erosion study to be reimbursed through grant revenues. These adjustments occurred in various departments due to higher activity levels, including energy costs, contract assistance, and other maintenance costs. These cost increases were partially offset by related revenue increases. At the end of the year, most departments had lower actual costs than budget, with the largest budget variances in community development and capital outlay as these were primarily related to multiyear studies or projects.

General Fund actual expenditures ended the year \$9.6 million lower than the final budget with \$6.4 million of this amount reappropriated to the FY 2024 Budget. FY 2023 actual costs increased to \$75 million, which is \$5.0 million higher than last years \$70 million. A brief summary by department follows:

- General government is \$1.2 million lower than budget due to staff savings from an interim City Manager and other vacant positions, while costs are higher than last year due to a \$1.0 million one-time pension payment completed in FY 2023.
- Public safety costs are higher than last year by \$0.8 million. The police contract with the County was higher than last years actual cost by \$353,000 but \$302,000 below FY 2023's budget. The OCFA fire contract was \$327,000 higher than last year, while facility costs exceeded the budgeted amount due to aging buildings. Total public safety costs increased from \$33.6 million to \$35.2 million primarily from contract increases and a paydown of the pension unfunded liability.
- Public Works were \$0.3 million lower than budget due to salary costs and lane striping being less than budgeted. However, total costs increased by \$1.3 million from the prior year due to staffing levels (\$0.2 million), supplies (\$0.2 million), maintenance contracts (\$0.5 million), and other costs as activity levels at city facilities and parks continue to increase over time.
- Community development costs came in lower than budget by \$1.7 million as a result of staffing vacancies (\$0.4 million) contract services and multi-year study timing (\$1.1 million) and lower implementation costs for the permitting and licensing system (\$0.1 million). Actual costs were higher than last year by \$0.4 million due mostly to the costs for the permit and licensing system.
- Beaches, parks and recreation costs were lower than budget by \$0.7 million due to lower concession costs. Actual costs increased by \$0.2 million from the prior year as classes increased and special events restarted.
- Capital outlay was higher by \$0.5 million due to multi-year projects which continue to be worked on including sand replenishment, sidewalk, road and other capital maintenance projects.

General Fund financing sources (uses) include transfers in of \$1.6 million from the American Rescue Plan funds and transfers out of \$2.4 million which include funding the Clean Ocean fund while the fee is studied.

OTHER NON-MAJOR FUND HIGHLIGHTS

Other significant fund changes include 1) funds having higher investment and rental income due to a higher interest rate environment and an improved fair value adjustment on investments, 2) Gas Tax and Street Improvement Fund costs decreased \$2.4 million from last year as projects were in the General fund and Water/Sewer funds, 3) Local Transit Fund costs increased by \$0.2 million due to expanded Trolley and rideshare operation, 4) Disaster Relief fund costs increased by \$0.8 million due to the Council Chamber capital projects funded by American Rescue Plan grants, 5) Public Facilities fund costs decreased by \$1 million due to the completion of the police substation in FY 2022, 6) a \$1 million transfer to the Clean Ocean to support operations during the fee review process. Budget variances in non-major governmental funds were due to capital outlay on multi-year projects, some projects include street improvements, pickleball courts, and a beach trail pedestrian bridge replacement.

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, 2023, amounts to \$373.2 million (net of accumulated depreciation) as compared to the June 30, 2022 total of \$376.6 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 decrease in the City’s capital assets (net of depreciation) for the current fiscal year was \$3.4 million, with a decrease of \$3.9 million in governmental activities and a \$0.5 million increase in business-type activities.

Major governmental capital improvements during the fiscal year included the City Council Chambers, and sidewalk and alley improvements throughout the City. Business type capital projects included a recycled water reservoir capacity purchase, reclamation plant electrical replacements, sewer tank replacement, and a recycled water line relocation and storm drain improvements. Governmental activities capital assets totaled \$5.6 million. The business type activities capitalized amount totals \$6.8 million, with \$5.6 million in utility assets, which includes the capacity rights purchases.

Depreciation expense during the fiscal year was \$11.0 million for governmental activities and \$6.3 million for business-type activities as compared to \$10.1 million and \$6.2 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 51.5	\$ 51.5	\$ 4.3	\$ 4.3	\$ 55.8	\$ 55.8
Infrastructure	100.6	103.7	73.8	75.3	174.4	179.0
Buildings & Improvements	53.3	54.5	72.7	71.1	126.0	125.6
Equipment & subscription assets	3.1	2.1	4.3	4.5	7.4	6.6
Construction-in-progress	<u>4.8</u>	<u>5.4</u>	<u>4.8</u>	<u>4.2</u>	<u>9.6</u>	<u>9.6</u>
Totals	<u>\$ 213.3</u>	<u>\$ 217.2</u>	<u>\$ 159.9</u>	<u>\$ 159.4</u>	<u>\$ 373.2</u>	<u>\$ 376.6</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 \$9.4 million. During the year, a principal payment was made on the loan in the amount of \$678,690.

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 2023 and 2022 Fiscal Years.

	Outstanding Loans and Leases (in millions)			
	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>	Business-type Activities <u>2023</u>	Business-type Activities <u>2022</u>
State Revolving Fund Loan	<u>-</u>	<u>-</u>	<u>\$ 9.4</u>	<u>\$ 10.1</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9.4</u>	<u>\$ 10.1</u>

SIGNIFICANT MATTERS

As of June 30, 2023, the City has outstanding commitments in the amount of \$9.8 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, 2023

<u>ASSETS</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Cash and investments	\$ 94,577,504	\$ 52,791,924	\$ 147,369,428
Taxes receivable	4,192,809	-	4,192,809
Accounts receivable	2,383,169	5,888,053	8,271,222
Lease receivable	2,946,329	377,677	3,324,006
Interest receivable	442,559	283,966	726,525
Due from other governments	2,071,506	480,583	2,552,089
Internal balances	(1,521,932)	1,521,932	-
Inventories	-	286,164	286,164
Loans receivable	12,541,720	-	12,541,720
Restricted cash and investments	-	6,499,640	6,499,640
Capital assets, non-depreciable	56,252,122	9,158,784	65,410,906
Capital assets, net of accum. depreciation/amortization	157,019,051	150,751,572	307,770,623
Total Assets	<u>330,904,837</u>	<u>228,040,295</u>	<u>558,945,132</u>
Deferred Outflows of Resources:			
OPEB deferral	2,130,769	-	2,130,769
Pension deferral	16,821,964	3,222,964	20,044,928
Total Deferred Outflows of Resources	<u>18,952,733</u>	<u>3,222,964</u>	<u>22,175,697</u>
<u>LIABILITIES</u>			
Accounts payable	4,542,574	4,603,684	9,146,258
Accrued wages	490,098	62,216	552,314
Interest payable	6,001	103,491	109,492
Unearned revenue	1,853,863	1,106,607	2,960,470
Deposits payable	2,871,103	293,983	3,165,086
Long term liabilities:			
Portion due in one year:			
Compensated absences	325,206	133,775	458,981
Subscription payable	369,631	-	369,631
Loan payable	-	693,621	693,621
Claims payable	725,931	-	725,931
Portion due in more than one year:			
Compensated absences	796,192	327,519	1,123,711
Loan payable	-	8,714,617	8,714,617
Subscription payable	242,185	-	242,185
Claims payable	547,632	-	547,632
Net OPEB liability	3,507,708	-	3,507,708
Net pension liability	39,243,378	10,512,559	49,755,937
Total Liabilities	<u>55,521,502</u>	<u>26,552,072</u>	<u>82,073,574</u>
Deferred Inflows of Resources:			
Lease deferral	2,745,329	372,476	3,117,805
OPEB deferral	280,384	-	280,384
Pension deferral	2,456,668	253,800	2,710,468
Total Deferred Inflows of Resources	<u>5,482,381</u>	<u>626,276</u>	<u>6,108,657</u>
<u>NET POSITION</u>			
Net investment in capital assets	212,659,357	150,502,118	363,161,475
Restricted for:			
Public facilities construction	1,301,225	-	1,301,225
Local drainage facilities	3,414,619	-	3,414,619
Streets/roadway/traffic	12,379,910	-	12,379,910
Affordable housing	13,825,215	-	13,825,215
Other capital	6,402,915	5,305,055	11,707,970
Other purposes	3,784,985	900,602	4,685,587
Unrestricted	35,085,461	47,377,136	82,462,597
Total Net Position	<u>\$ 288,853,687</u>	<u>\$ 204,084,911</u>	<u>\$ 492,938,598</u>

See Accompanying Notes to the Financial Statements.

CITY OF SAN CLEMENTE
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,155,337	\$ 510,873	\$ 363,212	\$ -
Police	19,183,129	559,912	168,109	-
Fire	12,713,458	2,048,280	-	-
Public works	28,518,102	1,680,700	9,716,003	633,726
Community development	6,915,744	2,711,497	1,274,054	-
Beaches, parks & recreation	10,867,814	5,012,615	-	122,868
Interest and fiscal charges	15,353	-	-	-
Total governmental activities	87,368,937	12,523,877	11,521,378	756,594
Business-type activities:				
Water	21,256,922	24,188,285	-	3,744,117
Sewer	18,333,276	11,104,825	(916)	-
Golf	2,816,260	3,483,977	-	-
Clean Ocean	1,289,395	53,398	250,000	-
Solid Waste	247,550	258,485	101,111	-
Total business-type activities	43,943,403	39,088,970	350,195	3,744,117
Total	\$ 131,312,340	\$ 51,612,847	\$ 11,871,573	\$ 4,500,711

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, as restated

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
\$ (8,281,252)	\$ -	\$ (8,281,252)
(18,455,108)	-	(18,455,108)
(10,665,178)	-	(10,665,178)
(16,487,673)	-	(16,487,673)
(2,930,193)	-	(2,930,193)
(5,732,331)	-	(5,732,331)
(15,353)	-	(15,353)
(62,567,088)	-	(62,567,088)
-	6,675,480	6,675,480
-	(7,229,367)	(7,229,367)
-	667,717	667,717
-	(985,997)	(985,997)
-	112,046	112,046
-	(760,121)	(760,121)
(62,567,088)	(760,121)	(63,327,209)
42,353,489	-	42,353,489
12,608,182	-	12,608,182
3,342,858	-	3,342,858
2,686,877	-	2,686,877
1,436,753	-	1,436,753
866,204	585,057	1,451,261
134,423	-	134,423
(872,743)	872,743	-
62,556,043	1,457,800	64,013,843
(11,045)	697,679	686,634
288,864,732	203,387,232	492,251,964
\$ 288,853,687	\$ 204,084,911	\$ 492,938,598

CITY OF SAN CLEMENTE
Balance Sheet
Governmental Funds
June 30, 2023

	General	Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash and investments	\$ 31,163,810	\$ 45,838,580
Taxes receivable	4,192,809	-
Accounts receivable	1,655,039	522,827
Interest receivable	159,560	198,888
Lease receivable	2,946,329	-
Due from other funds	986,130	-
Due from other governments	433,949	1,818,664
Loans receivable	921,302	11,620,418
Total assets	\$ 42,458,928	\$ 59,999,377
<u>LIABILITIES</u>		
Accounts payable	\$ 3,478,655	\$ 820,649
Accrued wages	193,826	2,131
Unearned revenue	676,507	1,177,356
Deposits payable	2,682,674	188,429
Due to other funds	-	986,130
Total liabilities	7,031,662	3,174,695
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - receivables	1,043,081	1,408,163
Unavailable revenue - lease	2,745,329	-
Total deferred inflows of resources	3,788,410	1,408,163
<u>FUND BALANCES</u>		
Nonspendable	921,302	-
Restricted	-	40,200,940
Committed	16,627,497	558,246
Assigned	10,593,733	15,582,000
Unassigned (deficit)	3,496,324	(924,667)
Total fund balance (deficit)	31,638,856	55,416,519
Total liabilities, deferred inflows of resources and fund balances	\$ 42,458,928	\$ 59,999,377

See Accompanying Notes to the Financial Statements.

Total
Governmental
Funds

\$ 77,002,390
4,192,809
2,177,866
358,448
2,946,329
986,130
2,252,613
12,541,720

\$ 102,458,305

\$ 4,299,304
195,957
1,853,863
2,871,103
986,130

10,206,357

2,451,244
2,745,329

5,196,573

921,302
40,200,940
17,185,743
26,175,733
2,571,657

87,055,375

\$ 102,458,305



CITY OF SAN CLEMENTE
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2023

Fund balances for governmental funds \$ 87,055,375

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 \$2,988,547.

Governmental capital assets	363,961,986	
Less: accumulated depreciation/amortization	<u>(153,679,360)</u>	210,282,626

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 \$123,803.

Compensated absences	(997,595)	
Subscription liability	(53,130)	
Net pension liability	<u>(39,243,378)</u>	(40,294,103)

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

Deferred inflows of resources - pension related	(2,456,668)	
Deferred outflows of resources - pension related	<u>16,821,964</u>	14,365,296

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	2,988,547	
Deferred inflows of resources - OPEB related	(280,384)	
Deferred outflows of resources - OPEB related	2,130,769	
Long term liabilities, current and noncurrent portion	(5,464,276)	
Other internal service assets (liabilities)	<u>15,618,593</u>	14,993,249

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.

2,451,244

Net position of governmental activities		<u><u>\$ 288,853,687</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, 2023

	General	Nonmajor Governmental Funds
Revenues:		
Taxes	\$ 62,024,877	\$ 215,050
Permits and fees	1,783,903	-
Fines and forfeits	521,002	-
Investment and rentals	3,100,301	712,673
Intergovernmental	906,705	9,750,664
Charges for services	7,310,474	751,970
Developers fees	-	554,739
Other	213,654	221,390
Total Revenues	75,860,916	12,206,486
Expenditures:		
Current:		
General government	8,153,695	507,388
Police	21,018,844	161,300
Fire	14,207,277	-
Public works	15,537,734	1,533,644
Community development	6,166,744	391,318
Beaches, parks and recreation	7,411,335	12,760
Capital outlay	2,481,080	8,687,546
Total Expenditures	74,976,709	11,293,956
Excess (Deficiency) of Revenues Over (Under) Expenditures	884,207	912,530
Other Financing Sources (Uses):		
Transfers in	1,571,723	1,971,053
Transfers out	(2,383,665)	(2,031,854)
Total Other Financing Sources (Uses)	(811,942)	(60,801)
Net Change in Fund Balances	72,265	851,729
Fund Balances - Beginning of Year, as restated	31,566,591	54,564,790
Fund Balances - End of Year	\$ 31,638,856	\$ 55,416,519

See Accompanying Notes to the Financial Statements.

Total
Governmental
Funds

\$ 62,239,927
1,783,903
521,002
3,812,974
10,657,369
8,062,444
554,739
435,044

88,067,402

8,661,083
21,180,144
14,207,277
17,071,378
6,558,062
7,424,095
11,168,626

86,270,665

1,796,737

3,542,776

(4,415,519)

(872,743)

923,994

86,131,381

\$ 87,055,375



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, 2023

Net change in fund balances - total governmental funds: \$ 923,994

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	11,168,626	
Other maintenance activities included in capital outlay above	(6,035,753)	
Gain (loss) on capital assets	(25,029)	
Depreciation/amortization (net of Internal Service Funds of \$819,721)	<u>(10,148,409)</u>	(5,040,565)

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. 245,860

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)	9,891	
Subscription liability adjustment	27,126	
Pension actuarial amounts - outflows	17,276,163	
Pension actuarial amounts - inflows	(2,456,668)	
Change in net pension liability	<u>(11,639,320)</u>	3,217,192

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	(1,808,770)	
Current year deferral	<u>2,451,244</u>	<u>642,474</u>

Change in net position of governmental activities \$ (11,045)

See Accompanying Notes to the Financial Statements.

CITY OF SAN CLEMENTE

Statement of Net Position

Proprietary Funds

June 30, 2023

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 31,507,313	\$ 14,254,488	\$ 5,402,142
Accounts receivable	3,738,302	2,086,629	33,141
Accrued interest	171,337	78,963	25,870
Due from other governments	476,383	4,200	-
Lease receivable	-	-	79,957
Inventory, at cost	240,909	-	45,255
Cash and investments - restricted	4,265,316	2,234,324	-
Total Current Assets	<u>40,399,560</u>	<u>18,658,604</u>	<u>5,586,365</u>
Noncurrent Assets:			
Lease receivable	-	-	297,720
Capital Assets:			
Land	3,912,097	410,298	2,011
Water, sewer and storm lines	43,919,484	78,983,108	-
Utility assets	43,848,304	105,090,659	-
Buildings	205,662	379,371	6,423,954
Improvements other than buildings	-	-	3,553,749
Subscription assets	-	-	-
Machinery and equipment	3,278,529	4,098,453	1,278,094
Construction in progress	1,672,146	3,162,232	-
Total Capital assets	<u>96,836,222</u>	<u>192,124,121</u>	<u>11,257,808</u>
Less accum. depreciation/amortization	<u>(35,486,181)</u>	<u>(98,347,867)</u>	<u>(6,473,747)</u>
Net Capital Assets	<u>61,350,041</u>	<u>93,776,254</u>	<u>4,784,061</u>
Total Noncurrent Assets	<u>61,350,041</u>	<u>93,776,254</u>	<u>5,081,781</u>
Total Assets	<u>101,749,601</u>	<u>112,434,858</u>	<u>10,668,146</u>
Deferred Outflows of Resources:			
OPEB deferral	-	-	-
Pension deferral	1,515,356	1,312,090	395,518
Total Deferred Outflows	<u>1,515,356</u>	<u>1,312,090</u>	<u>395,518</u>

See Accompanying Notes to Financial Statements.

Enterprise Funds		
Nonmajor	Totals	Internal Service
\$ 1,627,981	\$ 52,791,924	\$ 17,575,114
29,981	5,888,053	24,196
7,796	283,966	84,111
-	480,583	-
-	79,957	-
-	286,164	-
-	6,499,640	-
<u>1,665,758</u>	<u>66,310,287</u>	<u>17,683,421</u>
-	297,720	-
-	4,324,406	-
-	122,902,592	-
-	148,938,963	-
-	7,008,987	443,134
-	3,553,749	1,204,810
-	-	1,029,490
15,000	8,670,076	7,215,936
-	4,834,378	-
<u>15,000</u>	<u>300,233,151</u>	<u>9,893,370</u>
<u>(15,000)</u>	<u>(140,322,795)</u>	<u>(6,904,823)</u>
-	159,910,356	2,988,547
-	160,208,076	2,988,547
<u>1,665,758</u>	<u>226,518,363</u>	<u>20,671,968</u>
-	-	2,130,769
-	3,222,964	-
-	<u>3,222,964</u>	<u>2,130,769</u>

(Continued)

CITY OF SAN CLEMENTE
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 2,999,899	\$ 1,113,675	\$ 168,972
Accrued wages	28,368	25,353	7,569
Compensated absences payable	54,517	53,125	23,103
Interest payable	103,491	-	-
Subscription payable	-	-	-
Loan payable	693,621	-	-
Claims and judgements payable	-	-	-
Unearned revenue	1,100,000	-	6,607
Deposits payable - restricted assets	293,983	-	-
Total Current Liabilities	5,273,879	1,192,153	206,251
Noncurrent Liabilities:			
Compensated absences payable	133,472	130,063	56,561
Subscription payable	-	-	-
Claims and judgments payable	-	-	-
Loan payable	8,714,617	-	-
Net OPEB liability	-	-	-
Net pension liability	4,938,524	4,248,465	1,325,570
Total Noncurrent Liabilities	13,786,613	4,378,528	1,382,131
Total Liabilities	19,060,492	5,570,681	1,588,382
Deferred Inflow of Resources:			
Lease	-	-	372,476
Pension deferral	119,336	103,369	31,095
	119,336	103,369	403,571
<u>NET POSITION</u>			
Net investment in capital assets	51,941,803	93,776,254	4,784,061
Restricted for debt service	900,602	-	-
Restricted for capital projects	3,070,731	2,234,324	-
Unrestricted	28,171,993	12,062,320	4,287,650
Total Net Position	\$ 84,085,129	\$ 108,072,898	\$ 9,071,711

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		
Nonmajor	Totals	Internal Service
\$ 321,138	\$ 4,603,684	\$ 243,270
926	62,216	294,141
3,031	133,775	35,903
-	103,491	5,485
-	-	233,365
-	693,621	-
-	-	725,931
-	1,106,607	-
-	293,983	-
<u>325,095</u>	<u>6,997,377</u>	<u>1,538,095</u>
7,422	327,519	87,900
-	-	325,837
-	-	547,632
-	8,714,617	-
-	-	3,507,708
-	10,512,559	-
<u>7,422</u>	<u>19,554,695</u>	<u>4,469,077</u>
<u>332,517</u>	<u>26,552,072</u>	<u>6,007,172</u>
-	372,476	-
-	253,800	280,384
-	626,276	280,384
-	150,502,118	2,429,345
-	900,602	-
-	5,305,055	-
1,333,241	45,855,204	14,085,836
<u>\$ 1,333,241</u>	<u>202,562,979</u>	<u>\$ 16,515,181</u>
	<u>1,521,932</u>	
	<u>\$ 204,084,911</u>	

(Concluded)

CITY OF SAN CLEMENTE
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Operating Revenues:			
Charges for services	\$ 22,780,423	\$ 11,100,484	\$ 2,536,703
Concessions	-	-	904,531
Other	1,407,862	4,198	42,743
Total Operating Revenues	<u>24,188,285</u>	<u>11,104,682</u>	<u>3,483,977</u>
Operating Expenses:			
Salaries and benefits	3,685,561	3,281,148	940,173
Cost of purchased water	8,937,709	-	-
Cost of materials and supplies	709,185	852,112	209,979
Depreciation/amortization	1,874,327	4,117,857	307,934
Insurance premiums	-	-	-
Benefit payments	-	-	-
Maintenance and other operating expenses	5,831,486	10,100,684	1,362,286
Total Operating Expenses	<u>21,038,268</u>	<u>18,351,801</u>	<u>2,820,372</u>
Operating Income (Loss)	<u>3,150,017</u>	<u>(7,247,119)</u>	<u>663,605</u>
Non-Operating Revenues (Expenses):			
Investment income	231,725	316,062	31,996
Grant income	-	(916)	-
Interest and fiscal charges	(214,447)	-	-
Gain (Loss) on sale of capital assets	-	143	-
Total Non-Operating Revenues (Expenses)	<u>17,278</u>	<u>315,289</u>	<u>31,996</u>
Income (Loss) Before Transfers and Capital Contributions	<u>3,167,295</u>	<u>(6,931,830)</u>	<u>695,601</u>
Capital contributions	3,744,117	-	-
Total Capital Contributions	<u>3,744,117</u>	<u>-</u>	<u>-</u>
Transfers in	-	-	-
Transfers out	(27,821)	(99,436)	-
Total Transfers	<u>(27,821)</u>	<u>(99,436)</u>	<u>-</u>
Change in Net Position	6,883,591	(7,031,266)	695,601
Net Position - Beginning of Year, as restated	<u>77,201,538</u>	<u>115,104,164</u>	<u>8,376,110</u>
Net Position - End of Year	<u>\$ 84,085,129</u>	<u>\$ 108,072,898</u>	<u>\$ 9,071,711</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			
Nonmajor	Totals		Internal Service
\$ 236,405	\$ 36,654,015	\$ 10,752,533	
-	904,531	-	
75,478	1,530,281	34,160	
<u>311,883</u>	<u>39,088,827</u>	<u>10,786,693</u>	
154,577	8,061,459	987,442	
-	8,937,709	-	
23,510	1,794,786	567,902	
-	6,300,118	819,721	
-	-	5,752,886	
-	-	594,459	
1,357,870	18,652,326	2,083,902	
<u>1,535,957</u>	<u>43,746,398</u>	<u>10,806,312</u>	
<u>(1,224,074)</u>	<u>(4,657,571)</u>	<u>(19,619)</u>	
5,274	585,057	155,541	
351,111	350,195	-	
-	(214,447)	(14,837)	
-	143	142,217	
<u>356,385</u>	<u>720,948</u>	<u>282,921</u>	
<u>(867,689)</u>	<u>(3,936,623)</u>	<u>263,302</u>	
-	3,744,117	-	
-	3,744,117	-	
1,000,000	1,000,000		
-	(127,257)	-	
<u>1,000,000</u>	<u>872,743</u>	<u>-</u>	
132,311	680,237	263,302	
<u>1,200,930</u>		<u>16,251,879</u>	
<u>\$ 1,333,241</u>		<u>\$ 16,515,181</u>	
	17,442		
	<u>\$ 697,679</u>		

CITY OF SAN CLEMENTE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Cash Flows from Operating Activities:			
Cash received from customers	\$ 24,426,824	\$ 10,719,413	\$ 2,549,799
Receipts from interfund charges	-	-	-
Cash paid to other suppliers for goods or services	(15,337,965)	(10,705,272)	(1,612,737)
Cash payment to employees	(3,600,953)	(3,224,530)	(915,836)
Cash from rents and concessions	-	-	904,531
Cash from other operating revenues	1,407,862	4,198	42,743
Net Cash Provided by (Used for) Operating Activities	<u>6,895,768</u>	<u>(3,206,191)</u>	<u>968,500</u>
Cash Flows from Noncapital Financing Activities:			
Grant income	-	-	-
Cash received from other funds	-	-	-
Cash paid to other funds	(27,821)	(99,436)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(27,821)</u>	<u>(99,436)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Capital contributions	3,744,117	-	-
Grant repayment	-	(916)	-
Purchase and construction of capital assets	(4,699,184)	(1,947,958)	(196,264)
Cash proceeds from sale of capital assets	-	-	-
Payment on capital loan	(678,690)	-	-
Interest and fiscal charges	(214,447)	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,848,204)</u>	<u>(1,948,874)</u>	<u>(196,264)</u>
Cash Flows from Investing Activities:			
Investment income received	141,121	298,885	19,518
Net Cash Provided by (Used for) Investing Activities	<u>141,121</u>	<u>298,885</u>	<u>19,518</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,160,864	(4,955,616)	791,754
Cash and Cash Equivalents at Beginning of Year	30,611,765	21,444,428	4,610,388
Cash and Cash Equivalents at End of Year	<u>\$ 35,772,629</u>	<u>\$ 16,488,812</u>	<u>\$ 5,402,142</u>

See Accompanying Notes to the Financial Statements.

Enterprise Funds		
Nonmajor	Totals	Internal Service
\$ 560,368	\$ 38,256,404	\$ -
-	-	10,792,232
(1,413,190)	(29,069,164)	(7,874,868)
(157,019)	(7,898,338)	(1,069,236)
-	904,531	-
-	1,454,803	-
<u>(1,009,841)</u>	<u>3,648,236</u>	<u>1,848,128</u>
351,111	351,111	-
1,000,000	1,000,000	-
-	(127,257)	-
<u>1,351,111</u>	<u>1,223,854</u>	<u>-</u>
-	3,744,117	-
-	(916)	-
-	(6,843,406)	(1,858,198)
-	-	143,580
-	(678,690)	-
-	(214,447)	(14,837)
<u>-</u>	<u>(3,993,342)</u>	<u>(1,729,455)</u>
1,182	460,706	125,317
<u>1,182</u>	<u>460,706</u>	<u>125,317</u>
342,452	1,339,454	243,990
1,285,529	57,952,110	17,331,124
<u>\$ 1,627,981</u>	<u>\$ 59,291,564</u>	<u>\$ 17,575,114</u>

(Continued)

CITY OF SAN CLEMENTE
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 3,150,017	\$ (7,247,119)	\$ 663,605
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/amortization expense	1,874,327	4,117,857	307,934
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	546,401	(381,071)	10,134
(Increase) decrease in net lease receivable	-	-	(3,645)
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in inventories	47,417	-	9,357
Increase (decrease) in accounts payable	77,751	247,524	(49,829)
Increase (decrease) in unearned revenue	1,100,000	-	6,607
Increase (decrease) in subscription based IT payable	-	-	-
Increase (decrease) in accrued wages	(49,569)	(46,603)	(10,918)
Increase (decrease) in deposits payable	15,247	-	-
Increase (decrease) in pension/OPEB liabilities	155,669	123,575	35,692
Increase (decrease) in compensated absences	(21,492)	(20,354)	(437)
Increase (decrease) in claims & judgments payable	-	-	-
Total Adjustments	3,745,751	4,040,928	304,895
Net Cash Provided by (Used for) Operating Activities	\$ 6,895,768	\$ (3,206,191)	\$ 968,500
Noncash investing, capital, and financing activities:			
Unrealized gain (loss) from investments	\$ (439,547)	\$ (5,182)	\$ (66,681)

See Accompanying Notes to the Financial Statements.

Enterprise Funds		
Nonmajor	Totals	Internal Service
\$ (1,224,074)	\$ (4,657,571)	\$ (19,619)
-	6,300,118	819,720
248,485	423,949	(3,076)
-	(3,645)	-
-	-	-
-	56,774	-
(31,810)	243,636	(233,177)
-	1,106,607	-
-	-	559,202
(1,738)	(108,828)	(88,535)
-	15,247	-
-	314,936	(390,765)
(704)	(42,987)	6,741
-	-	1,197,637
214,233	8,305,807	1,867,747
\$ (1,009,841)	\$ 3,648,236	\$ 1,848,128

\$ (22,889) \$ (534,300) \$ (157,486)

(Concluded)

CITY OF SAN CLEMENTE
Statement of Net Position
Fiduciary Funds
June 30, 2023

	Pension and Other Post Employment Benefits Trust	Private Purpose Trust Fund RDA Successor Agency Trust
Assets:		
Cash and investments	\$ -	\$ 186,485
Cash and investments with fiscal agents	-	-
Taxes receivable	-	-
Accounts receivable	-	-
Accrued interest receivable	-	895
Investments, at fair value:		
Group annuity contract	4,831,221	-
PIMCO Total Return Bond mutual fund	4,818,987	-
U.S. Government Treasury Inflation Bond mutual fund	722,350	-
Dodge & Cox International mutual fund	3,663,079	-
PIMCO All Asset Authority mutual fund	1,207,726	-
Russell 1000 Index mutual fund	7,857,092	-
Russell 2000 Index mutual fund	1,227,906	-
Total Assets	24,328,361	187,380
Liabilities:		
Accounts payable	-	-
Accrued wages	-	-
Payable to other entities	-	-
Loan from the City of San Clemente	-	630,898
Due to bondholders	-	-
Total Liabilities	-	630,898
Total Net Position:		
Net position restricted for pensions	24,328,361	-
Net position held for others	-	-
Net position held in trust for Redevelopment Agency	-	(443,518)
Total Net Position	\$ 24,328,361	\$ (443,518)

See Accompanying Notes to the Financial Statements.

Custodial
Funds

\$ 4,183,792
8,835,304
88,543
31,262
16,623

-
-
-
-
-
-
-

13,155,524

39,512
14,878
341,603

-

12,410,091

12,806,084

-

349,440

-

\$ 349,440

CITY OF SAN CLEMENTE
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension and Other Post Employment Benefits Trust	Private Purpose Trust Fund RDA Successor Agency Trust
Additions:		
Contributions:		
Employer pension contributions	\$ 1,797,206	\$ -
Employee pension contributions	34,529	-
Total Contributions	1,831,735	-
Property tax	-	348,829
Contributions from other agencies	-	-
License and fees collected	-	-
Donations and miscellaneous revenues	-	-
Other Additions	-	348,829
Investment Income:		
Net appreciation (depreciation) in fair value of investments	1,662,743	-
Investment income	403,208	(1,260)
Total Investment Income (Loss)	2,065,951	(1,260)
Total Additions	3,897,686	347,569
Deductions:		
Benefit payments	2,514,691	-
Payment to bondholders	-	-
Program expenses	-	-
Administrative expenses	48,997	-
Total Deductions	2,563,688	-
Change in net position	1,333,998	347,569
Net position - Beginning of Year, as restated	22,994,363	(791,087)
Net position - End of Year	\$ 24,328,361	\$ (443,518)

See Accompanying Notes to the Financial Statements.

Custodial
Funds

\$	-
	-
	-
	4,484,153
	1,413,250
	235,583
	178,312
	<u>6,311,298</u>
	-
	<u>295,050</u>
	<u>295,050</u>
	<u>6,606,348</u>
	-
	4,607,968
	1,786,058
	345,590
	<u>6,739,616</u>
	(133,268)
	<u>482,708</u>
\$	<u><u>349,440</u></u>



Notes to the Financial Statements



CITY OF SAN CLEMENTE
Notes to the Financial Statements
For the year ended June 30, 2023

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 financial statements of the City until the obligations of the former redevelopment agency are paid in full.

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 and the Agency fund was dissolved.

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, 2023

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 2023, the City adopted and implemented the following new accounting standards:

Statement No. 96 "SBITAs" – This statement addresses the accounting and recognition of subscription-based implementation arrangements (SBITAs).

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.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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.

e) Compensated absences:

It is the City's policy to permit 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, 2023 is recorded as a liability. Unpaid compensated absences in proprietary fund types are accrued as a liability in those funds as employees vest benefits.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 \$64.6 million.

B. Deficit Fund Balance:

The deficit fund balance of \$924,667 in the Local Transit Special Revenue Fund will be funded through future grant revenues that did not meet the measurable and available criteria. The deficit balance in the Employee Medical Internal Service Fund will be recovered through charges to fund the initial OPEB unfunded liability.

3. CASH AND INVESTMENTS:

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of position:	
Cash and investments	\$ 147,369,428
Cash and investments – restricted	6,499,640

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

Fiduciary funds:	
Cash and investments – private purpose trust funds	186,485
Cash and investments – custodial funds	4,183,792
Cash and investments held by bond trustee	8,835,304
Pension trust investments	<u>24,328,361</u>
Total cash and investments	<u>\$ 191,402,810</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 5,950
Deposits with financial institutions	1,434,080
Investments held by City and bond trustee	165,634,619
Pension trust investments	<u>24,328,361</u>
Total cash and investments	<u>\$ 191,402,810</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: 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)	5 years	75%	30%
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%	\$ 65 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.

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

<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 shorter term and longer 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	\$ 59,539,956	\$ 10,770,163	\$ 17,222,339	\$ 31,547,454
Federal Agency securities:				
Federal Farm Credit Bank	5,734,427	4,775,260	959,167	-
Federal Home Loan Bank	23,260,968	10,984,748	5,711,900	6,564,320
Federal Home Loan Mortgage Corp.	8,303,477	5,975,127	1,415,961	912,389
Federal National Mortgage Assoc.	9,975,243	2,777,260	5,833,059	1,364,924
Negotiable Certificates of Deposit	2,896,232	1,464,228	475,294	956,710
LAIF	28,611,377	28,611,377	-	-
Medium Term Note	14,885,118	5,218,147	2,203,715	7,463,256
Commercial Paper (Asset backed)	3,592,517	-	936,456	2,656,061
Held by bond trustee:				
Money market funds	8,835,304	8,835,304	-	-
Total	<u>\$ 165,634,619</u>	<u>\$ 79,411,614</u>	<u>\$ 34,757,891</u>	<u>\$ 51,465,114</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 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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

<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	\$ 59,539,956	N/A	\$ 59,539,956	\$ -	\$ -	\$ -
Federal agency securities:						
FFCB	5,734,427	N/A	5,734,427	-	-	-
FHLB	23,260,968	N/A	23,260,968	-	-	-
FHLMC	8,303,477	N/A	8,303,477	-	-	-
FNMA	9,975,243	N/A	9,975,243	-	-	-
Negotiable Certificate of Deposits	2,896,232		2,896,232	-	-	-
LAIF	28,611,377	N/A	28,611,377	-	-	-
Medium Term Notes	14,885,118	A	-	-	4,155,544	10,729,574
Commercial paper	3,592,517	A	-	3,592,517	-	-
Held by Bond trustee:						
Money market funds	8,835,304	N/A	-	8,835,304	-	-
	<u>\$ 165,634,619</u>		<u>\$ 138,321,680</u>	<u>\$ 12,427,821</u>	<u>\$ 4,155,544</u>	<u>\$ 10,729,574</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	\$ 23,260,968	14%
Federal Home Loan Mortgage Corp.	Federal agency securities	8,303,477	5%
Federal National Mortgage Association	Federal agency securities	9,975,243	6%

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: \$934,083 of the City's deposits with financial institutions in excess of federal depository insurance limits is held in collateralized accounts.

As of June 30, 2023, 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, 2023

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasury securities	\$ 59,539,956
Federal agency securities:	
Federal Farm Credit Bank	5,734,427
Federal Home Loan Bank	23,260,968
Federal Home Loan Mortgage Corp	8,303,477
Federal National Mortgage Association	9,975,243
Negotiable Certificate of Deposits	2,896,232
Medium Term Notes	14,885,118
Commercial Paper (Asset Backed)	3,592,517

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, 2023, the City had \$28,611,377 invested in LAIF based on LAIF's fair value factor of 0.984828499 used to calculate the fair value of LAIF investments. The City's investment with LAIF at June 30, 2023, includes a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. LAIF invested 2.78% 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, 2023

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	\$ 59,539,956	\$ -	\$ 59,539,956	\$ -	\$ -
Federal Agency securities:					
Federal Farm Credit Bank	5,734,427	-	-	5,734,427	-
Federal Home Loan Bank	23,260,968	-	-	23,260,968	-
Federal Home Loan Mortgage Corp.	8,303,477	-	-	8,303,477	-
Federal National Mortgage Assoc.	9,975,243	-	-	9,975,243	-
Negotiable Certificates of Deposit	2,896,232	-	-	2,896,232	-
LAIF	28,611,377	28,611,377	-	-	-
Medium Term Note	14,885,118	-	-	14,885,118	-
Commercial Paper	3,592,517	-	-	3,592,517	-
Held by bond trustee:					
Money market funds	8,835,304	-	8,835,304	-	-
Total	<u>\$ 165,634,619</u>	<u>\$ 28,611,377</u>	<u>\$ 68,375,260</u>	<u>\$ 68,647,982</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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was an 8.88%. 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, 2023

Pension investments held and the percentage of the pension investment portfolio at June 30, 2023 follows:

<u>Pension Trust Fund Investments</u>	<u>Fair value</u>	<u>% of Pension Portfolio</u>
<i>Equity Investments</i>		
Dodge & Cox International mutual fund	\$ 3,663,079	15%
Russell 1000 Index mutual fund	7,857,092	32%
Russell 2000 Index mutual fund	1,227,906	5%
<i>Fixed Income Investments</i>		
Group annuity contract	4,831,221	20%
PIMCO Total Return Bond mutual fund	4,818,987	20%
US Government Treasury Inflation Bond mutual fund	722,350	3%
<i>Hybrid Investments (equity and fixed income)</i>		
PIMCO All Asset Authority mutual fund	1,207,726	5%
Total pension trust investments (fair value)	<u>\$ 24,328,361</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 \$12,541,720 consists of a loan receivable due from the Redevelopment Agency Successor Agency for \$630,898, a non-profit capital assistance loan of \$290,404, and housing loans receivable of \$11,620,418.

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 \$630,898. 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 \$11,620,418 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:

Lease receivables total \$3,324,006, with \$2,946,329 in governmental and \$377,677 in business type. The governmental amount of \$2,946,329 consists of cell site leases for \$1.2 million and facilities leases for \$1.8 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 \$4,265 and renewal terms are generally every 5 years. The City has 13 facilities leases with monthly payments from \$47 to \$18,000. These renew on various schedules with renewal periods of 5 to 10 years depending on the lease. Some of these facilities leases have a base rent amount, but are based on a percentage of sales.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

The business type amount of \$377,677 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 \$3,117,805 with the governmental fund of \$2,745,329 and \$372,475 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
2024	\$ 982,747
2025	723,707
2026	580,553
2027	383,231
2028	158,114
2029-2033	260,534
Thereafter	28,919
Total	\$ 3,117,805

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS:

For the year ended June 30, 2023, the financial statements include 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 entered into a subscription for the use of Central Square Software License and at July 1, 2022 the subscription remaining was for 53 months. An initial subscription liability was recorded in the amount of \$287,930. As of June 30, 2023, the value of the subscription liability is \$215,819. The City is required to make annual fixed payments of \$75,000. The subscription has an interest rate of 2.1120%. The subscription asset value at June 30, 2023 of \$386,405 with accumulated amortization of \$86,347 is included as a Software subscription asset.

The City entered into a 36-month subscription for the use of Arctic Wolf License. An initial subscription liability was recorded in the amount of \$164,450. As of June 30, 2023, the value of the subscription liability is \$112,121. The City is required to make annual fixed payments of \$57,909. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$192,050 with accumulated amortization of \$62,853 is included as a Software subscription asset. The City had a termination period of 1 month as of the subscription commencement.

The City entered into a subscription for the use of Legislative Management Solutions and at July 1, 2022 the subscription remaining was for 32 months. An initial subscription liability was recorded in the amount of \$68,288. As of June 30, 2023, the value of the subscription liability is \$35,150. The City is required to make annual fixed payments of \$34,159. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$94,131 with accumulated amortization of \$34,438 is included as a Software subscription asset.

The City entered into a subscription for the use of Enterprise Software License and at July 1, 2022 the subscription remaining was for 26 months. An initial subscription liability was recorded in the amount of \$108,583. As of June 30, 2023, the value of the subscription liability is \$53,978. The City is required to make annual fixed payments of \$55,000. The subscription has an interest rate of 1.8940%. The subscription asset value at June 30, 2023 of \$108,583 with accumulated amortization of \$49,544 is included with Software as a Software subscription asset.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

The City entered into a subscription for the use of Microsoft Software License #2 and at July 1, 2022 the subscription remaining was for 31 months. An initial subscription liability was recorded in the amount of \$53,913. As of June 30, 2023, the value of the subscription liability is \$27,002. The City is required to make annual fixed payments of \$27,552. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$53,914 with accumulated amortization of \$20,870 is included as a Software subscription asset.

The City entered into a subscription for the use of Microsoft Software License #1 and at July 1, 2022 the subscription remaining was 31 months. An initial subscription liability was recorded in the amount of \$176,078. As of June 30, 2023, the value of the subscription liability is \$88,187. The City is required to make annual fixed payments of \$89,984. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$176,078 with accumulated amortization of \$68,159 is included as a Software subscription asset.

The City entered into a subscription for the use of Enterprise Lease Platform and at July 1, 2022 the subscription remaining was 37 months. An initial subscription liability was recorded in the amount of \$25,420. As of June 30, 2023, the value of the subscription liability is \$17,464. The City is required to make annual fixed payments of \$8,000. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$30,420 with accumulated amortization of \$9,857 is included as a Software subscription asset.

The City entered into a subscription for the use of Recreation Management Software and at July 1, 2022 the subscription remaining was for 30 months. An initial subscription liability was recorded in the amount of \$93,460. As of June 30, 2023, the value of the subscription liability is \$62,095. The City is required to make annual fixed payments of \$32,000. The subscription has an interest rate of 2.0380%. The subscription asset value at June 30, 2023 of \$112,460 with accumulated amortization of \$44,984 is included as a Software subscription asset.

Amount of Subscription Assets by Major Classes of Underlying Asset at June 30, 2023:

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	<u>\$ 1,154,041</u>	<u>\$ 377,052</u>
Total Subscriptions	<u>\$ 1,154,041</u>	<u>\$ 377,052</u>

Principal and Interest Requirements to Maturity:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 369,631	\$ 12,551	\$ 382,182
2025	168,736	5,044	173,780
2026	<u>73,449</u>	<u>1,551</u>	<u>75,000</u>
Total	<u>\$ 611,816</u>	<u>\$ 17,894</u>	<u>\$ 630,962</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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

A summary of governmental type capital assets activity for the year ending June 30, 2023 is as follows:

<u>Governmental activities</u>	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, non-depreciable:				
Land	\$ 51,458,778	\$ -	\$ -	\$ 51,458,778
Construction in progress	5,434,274	11,074,938	(11,715,868)	4,793,344
Total capital assets, non-depreciable	<u>56,893,052</u>	<u>11,074,938</u>	<u>(11,715,868)</u>	<u>56,252,122</u>
Capital assets, depreciable:				
Buildings	45,629,860	2,588,900	-	48,218,760
Improvements other than buildings	64,385,419	84,713	-	64,470,132
General equipment	10,973,780	857,606	(1,363,067)	10,468,319
Subscription assets	-	1,154,041	-	1,154,041
Infrastructure	190,334,721	3,026,999	(69,738)	193,291,982
Total capital assets, depreciable	<u>311,323,780</u>	<u>7,712,259</u>	<u>(1,432,805)</u>	<u>317,603,234</u>
Less accumulated depreciation/amortization:				
Buildings	(17,495,129)	(1,243,537)	-	(18,738,666)
Improvements other than buildings	(38,006,255)	(2,619,115)	-	(40,625,370)
General equipment	(8,877,182)	(656,129)	1,361,705	(8,171,606)
Subscription assets	-	(377,052)	-	(377,052)
Infrastructure	(86,643,900)	(6,072,297)	44,708	(92,671,489)
Total accum. depreciation/amortization	<u>(151,022,466)</u>	<u>(10,968,130)</u>	<u>1,406,413</u>	<u>(160,584,183)</u>
Net capital assets, depreciable	<u>160,301,314</u>	<u>(3,255,871)</u>	<u>(26,392)</u>	<u>157,019,051</u>
Capital assets - governmental	<u>\$ 217,194,366</u>	<u>\$ 7,819,067</u>	<u>\$ (11,742,260)</u>	<u>\$ 213,271,173</u>

A summary of business-type capital assets activity for the year ending June 30, 2023 for the City's is as follows:

<u>Business-type activities</u>	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, non-depreciable:				
Land	\$ 4,324,406	\$ -	\$ -	\$ 4,324,406
Construction in progress	4,211,558	8,396,947	(7,774,127)	4,834,378
Total capital assets, non-depreciable	<u>8,535,964</u>	<u>8,396,947</u>	<u>(7,774,127)</u>	<u>9,158,784</u>
Capital Assets, Being Depreciated:				
Buildings	7,008,987	-	-	7,008,987
Water, sewer, storm lines	122,533,649	368,943	-	122,902,592
Utility assets	143,364,617	5,574,346	-	148,938,963
Improvements other than buildings	3,490,928	62,821	-	3,553,749
Machinery and equipment	8,540,779	214,476	(85,179)	8,670,076
Total capital assets, depreciable	<u>284,938,960</u>	<u>6,220,586</u>	<u>(85,179)</u>	<u>291,074,367</u>
Less Accumulated Depreciation For:				
Buildings	(2,505,200)	(146,210)	-	(2,651,410)
Water, sewer, storm lines	(47,218,440)	(1,804,608)	-	(49,023,048)
Utility assets	(77,253,844)	(3,838,396)	-	(81,092,240)
Improvements other than buildings	(3,064,048)	(114,614)	-	(3,178,662)
Machinery and equipment	(4,066,467)	(396,290)	85,322	(4,377,435)
Total accumulated depreciation	<u>(134,107,999)</u>	<u>(6,300,118)</u>	<u>85,322</u>	<u>(140,322,795)</u>
Net capital assets, depreciable	<u>150,830,961</u>	<u>(79,532)</u>	<u>143</u>	<u>150,751,572</u>
Capital assets, business-type	<u>\$ 159,366,925</u>	<u>\$ 8,317,415</u>	<u>\$ (7,773,984)</u>	<u>\$ 159,910,356</u>

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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

Function/program:	Governmental	Business-Type
General government	\$ 262,418	\$ -
Police	113,864	
Fire	233,278	-
Public works	5,791,948	-
Community development	218,121	-
Beaches, parks and recreation	3,528,780	-
Internal service	819,721	-
Water	-	1,874,327
Sewer	-	4,117,857
Golf	-	307,934
Total depreciation expense	\$ 10,968,130	\$ 6,300,118

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 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:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 986,130

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.

Transfers In	Transfers Out				Total
	General Fund	Nonmajor Governmental Funds	Water Utility Fund	Sewer Utility Fund	
General Fund	\$ -	\$ 1,521,723	\$ 25,000	\$ 25,000	\$ 1,571,723
Nonmajor Governmental Funds	1,383,665	510,131	2,821	74,436	1,971,053
Nonmajor Proprietary Funds	1,000,000	-	-	-	1,000,000
Total	\$ 2,383,665	\$ 2,031,854	\$ 27,821	\$ 99,436	\$ 4,542,776

During the year ended June 30, 2023, the General Fund significant transfers included transfers of \$1.0 million to the Clean Ocean fund to provide funds for operations, \$500,000 to the Street Improvement Fund Special Revenue Fund to fund future street rehabilitation, \$300,000 to support transit activities, and \$500,000 to the

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

Reserve fund to support accrued leave and facilities maintenance reserves. Other significant transfers include \$1.1 million from non-major governmental funds to the general fund to move costs related to disaster relief to support public safety and staff positions and \$475,000 between non-major governmental funds to move money from public facilities maintenance to support the City Council Chamber Expansion in the disaster relief 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, 2023:

<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	\$ 10,086,928	\$ -	\$ 678,690	\$ 9,408,238	\$ 693,621
Business-type Activities					
Long-term Debt	<u>\$ 10,086,928</u>	<u>\$ -</u>	<u>\$ 678,690</u>	<u>\$ 9,408,238</u>	<u>\$ 693,621</u>

Governmental:

1. Certificates of Participation:

On June 1, 1994, \$1,240,000 of Series A and \$2,555,000 of Series B Certificates of Participation were issued to provide financing for the acquisition of the Negocio Building Project. The Certificates evidence interests of the owners thereof in a portion of lease payments to be made by the City to the Agency for the use and occupancy of the building, which was leased by the City to the Redevelopment Agency then leased back by the Agency to the City. Interest on Series A and Series B certificates is payable semi-annually each June 1 and December 1 beginning December 1, 1994. Principal maturities on Series A and Series B certificates began June 1, 1994, and continue each June 1 through June 1, 2023 in amounts ranging from \$20,000 to \$85,000 and \$20,000 to \$220,000, respectively. Series A certificates bear interest ranging from 3.5% to 6.0% and Series B bear interest at 8.5%. On June 1, 2012, the tax-exempt, Series A, portion of the Certificates was redeemed in full during the fiscal year, leaving only the taxable portion, Series B, outstanding.

In July 2016, an irrevocable trust was created and funded with \$1,603,028 of available cash resources from the City to defease the outstanding Negocio Certificates of Participation to eliminate future debt payments. The trust investments include United States Government and State and Local Government Series Securities ("SLGS") for the purpose of generating resources to fund all future debt service payments. The outstanding principal balance of the defeased debt at June 30, 2023 is \$0.

The City, under the provisions in the Lease-leaseback agreement, guaranteed lease payments from annual appropriations of monies from the Motor Vehicle Fee Account held by the State of California to which the City is entitled. The revenue is pledged until final maturity of the debt on June 1, 2023. The City received Motor Vehicle Fee amounts of \$65,753 from the State of California and \$8,414,353 of property taxes in Lieu of the Motor Vehicle Fee during the fiscal year.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 \$6.9 million for the year ended June 30, 2023. The total pledged revenue amount cannot be estimated over the life of the loan. The loan amount outstanding at June 30, 2023 is \$9,408,238.

Annual requirements to amortize the State Revolving Fund Loan as of June 30, 2023 are as follows:

Year Ending June 30	Principal	Interest	Total
2024	693,621	206,981	900,602
2025	708,881	191,721	900,602
2026	724,477	176,125	900,602
2027	740,415	160,187	900,602
2028	756,704	143,899	900,602
2029-2033	4,040,679	462,334	4,503,012
2034-2035	<u>1,743,461</u>	<u>57,743</u>	<u>1,801,206</u>
Totals	<u>\$ 9,408,238</u>	<u>\$ 1,398,990</u>	<u>\$ 10,807,228</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, 2023:

<u>Governmental Activities</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,124,548	\$ 157,872	\$ 161,022	\$ 1,121,398	\$ 325,206
Claims and judgments payable (Note 8)	<u>704,839</u>	<u>1,108,671</u>	<u>539,948</u>	<u>1,273,562</u>	<u>725,931</u>
Governmental Activities Long-term Liabilities	<u>\$ 1,829,387</u>	<u>\$ 1,266,543</u>	<u>\$ 700,970</u>	<u>\$ 2,394,960</u>	<u>\$ 1,051,137</u>
<u>Business-type Activities</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 504,282	\$ 318,940	\$ 361,928	\$ 461,294	\$ 133,775
Business-type Activities Long-term Liabilities	<u>\$ 504,282</u>	<u>\$ 318,940</u>	<u>\$ 361,928</u>	<u>\$ 461,294</u>	<u>\$ 133,775</u>

For claims payable, and the net OPEB liability governmental activities, internal service funds have been used in prior years to liquidate such amounts. Pension liabilities are discussed further in Note 9 (Pensions) and Note 10 (OPEB) and are considered long term in nature. Pension liabilities are liquidated from funds that have salaries, which include the General Fund, Enterprise, and Internal Service funds.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2023 is \$1,121,398.

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, 2023 is \$461,294, which are obligations of the following funds:

Water Utility Fund	\$ 187,989
Sewer Utility Fund	183,188
Golf Course Fund	79,664
Non-major Enterprise Funds	10,453

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 124 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.

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/>.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 \$265,166,874. 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 \$136,805,662. 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 or insured liability coverage in 2022-23. 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
2021-2022	\$ 2,199,498	\$ 562,316	\$ (2,056,975)	\$ 704,839
2022-2023	704,839	1,108,671	(539,947)	1,273,563

At June 30, 2023, 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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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	\$ 18,088,492	\$ 10,382,267	\$ 840,395	\$ 3,980,248
CalPERS Cost Sharing Plan (Risk Pool)	14,184,445	9,359,661	1,870,073	677,887
City of San Clemente Employees' Retirement Plan (CSCERP)	<u>17,483,000</u>	<u>303,000</u>	-	<u>1,117,000</u>
Total	<u>\$ 49,755,937</u>	<u>\$ 20,044,928</u>	<u>\$ 2,710,468</u>	<u>\$ 5,384,331</u>

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.

The CalPERS Miscellaneous Plans' provisions and benefits in effect at June 30, 2023 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%	6.75%
Required employer contribution rates	9.19%	9.19%

Employees Covered - As of June 30, 2023, 313 employees were covered by the Miscellaneous Plan.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2021 actuarial valuation used the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase ⁽¹⁾	3.3% - 14.2%
Mortality ⁽²⁾	Derived from CalPERS Membership Data
Post Retirement Benefit Increase	The lesser of a contract COLA or 2.5%

⁽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 2017 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.

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2021	\$ 75,533,550	\$ 68,017,099	\$ 7,516,451
Changes in the year:			
Service cost	2,445,788	-	2,445,788
Interest on the total pension liability	5,383,029	-	5,383,029
Changes of assumptions	3,438,026	-	3,438,026
Differences between expected and actual experience	(670,406)	-	(670,406)
Contribution – employer	-	4,350,350	(4,350,350)
Contribution - employee	-	927,992	(927,992)
Net investment income	-	(5,211,575)	5,211,575
Benefit payments	(3,018,312)	(3,018,312)	-
Administrative Expense	-	(42,371)	42,371
Other miscellaneous income (expense)	-	-	-
Net changes	<u>7,578,125</u>	<u>(2,993,916)</u>	<u>10,572,041</u>
Balance at June 30, 2022 (<i>measurement date</i>)	<u>\$ 83,111,675</u>	<u>\$ 65,023,183</u>	<u>\$ 18,088,492</u>

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)	\$ 30,546,695	\$ 18,088,492	\$ 7,893,692

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2023, the City recognized pension expense of \$3,980,248. At June 30, 2023, 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	\$ 1,136,953	\$ (552,791)
Changes of assumptions	3,428,478	(287,604)
Net difference between projected and actual earnings	3,353,160	-
Contributions after the measurement date	2,463,676	-
Total	\$ 10,382,267	(\$ 840,395)

Contributions after the measurement date of \$2,463,676 represent contributions for the fiscal year ended June 30, 2023 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
2023	1,915,292
2024	1,375,218
2025	923,519
2026	2,524,282
2027	339,885
Thereafter	-
Total	\$ 7,078,196

Payable to this Pension Plan - The City had contributions payable of \$58,649 at June 30, 2023.

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 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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2023 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%	13.75%
Required employer contribution rates	23.68%	13.66%

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, 2023 the employer contributions to the safety risk pool plan were \$4,515,701.

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the CalPERS cost sharing plan of \$14,184,445. 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 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, 2021, 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, 2021. 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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2022, the measurement date, was calculated as follows: Each risk pool’s total pension liability was computed at the measurement date, June 30, 2022, 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, 2022, 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, 2023, 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, 2021, to obtain the total pension liability and fiduciary net position as of June 30, 2022. 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, 2022	0.25484%
Proportion at measurement date - June 30, 2022	0.20642%
Change - Increase (Decrease)	-0.04842%

For the year ended June 30, 2023, the recognized pension expense was \$677,887 related to Plan. At June 30, 2023, 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	\$ 587,043	154,032
Changes of assumptions	1,430,221	-
Net difference between projected and actual earnings	2,239,922	-
Difference between employer contribution and proportionate share	586,774	88,247
Change in employer’s proportions	-	1,627,794
Contributions after measurement date	4,515,701	-
	\$ 9,359,661	\$ 1,870,073

Contributions after the measurement date of \$4,515,701 represent contributions for the fiscal year ended June 30, 2023 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:

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Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 647,649
2025	597,933
2026	361,925
2027	1,366,380
2028	-
Thereafter	-
Total	\$ 2,973,887

Actuarial Assumptions - The total plan pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase ⁽¹⁾	3.3% - 14.2%
Mortality ⁽²⁾	Based on CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.0% 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 2017 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.

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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	\$ 21,334,892	\$ 14,184,445	\$ 8,340,570

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 \$2,806 at June 30, 2023.

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 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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

The CSCERP's provisions and benefits at June 30, 2023, 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%	10.70%
Required employer contribution rates	19.00%	19.00%

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 2023 are:

Employer	Proportion	Covered Payroll	Contributions
City of San Clemente	95.9%	\$ N/A	\$ 1,117,000
Coastal Animal Services Authority (CASA)	4.1%	443,000	111,000
Total	100.0%	\$ 443,000	\$ 1,228,000

Contributions are the estimated amount necessary to finance the cost of benefits earned by employees during the year. A City contribution of \$1,602,000 to finance past unfunded accrued liability costs and a one-time additional discretionary payment of \$52,100 was paid during the year ended June 30, 2023. During the year ended June 30, 2023 CASA contribution amounts totaled \$177,635. This contribution includes the unfunded accrued liability payment of \$59,000, \$34,529 of employee contributions, and \$84,106 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	130
Inactive employees entitled to but not yet receiving benefits	68
Active employees (2 PEPRA members)	7
Total	205

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

As of June 30, 2023, the City reported a net pension liability on the CSCERP for \$17,484,000. The City's net pension liability for the CSCERP is the net pension liability as of June 30, 2023. The total pension liability for CSCERP was determined by an actuarial valuation as of June 30, 2021. 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, 2023, the recognized CSCERP plan pension expense was \$1,228,000, with the City of San Clemente's being \$1,117,000. At June 30, 2023, the City reported Deferred Outflows of

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

resources of \$316,000, as reported in the following table. There were no Deferred Inflow of Resources.

Description	Deferred Outflows of Resources		Total
	City of San Clemente	CASA	
Net difference between projected and actual earnings	\$ 303,000	\$ 13,000	\$ 316,000
Total	\$ 303,000	\$ 13,000	\$ 316,000

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
2024	\$ (10,000)	\$ 0
2025	(129,000)	(5,000)
2026	600,000	25,000
2027	(158,000)	(7,000)
Total	\$ 303,000	\$ 13,000

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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 – June 30, 2022
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 1997-2015 CalPERS Study
Investment Rate of Return ⁽²⁾	5.50%
Mortality	1997-2015 CalPERS Study

⁽¹⁾ Based on crossover test results.

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

In 2022, actuarial assumptions changed to lower the discount rate and long-term rate of return on plan investments from 5.75% to 5.50%.

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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2022	\$ 42,649,000	\$ 22,994,000	\$ 19,655,000
Changes in the year:			
Service cost	146,000	-	146,000
Interest on the total pension liability	2,285,000	-	2,285,000
Differences between actual and expected experience	-	-	-
Change in assumptions	-	-	-
Contribution – employer	-	1,797,000	(1,797,000)
Contribution - employee	-	35,000	(35,000)
Net investment income	-	2,066,000	(2,066,000)
Benefit payments	(2,515,000)	(2,515,000)	-
Administrative expenses	-	(49,000)	49,000
Net changes	(84,000)	1,334,000	(1,418,000)
Balance at June 30, 2023	\$ 42,565,000	\$ 24,328,000	\$ 18,237,000

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	\$ 22,115,000	\$ 17,483,000	\$ 13,611,000
CASA	945,000	754,000	582,000
Net Pension Liability	\$ 23,060,000	\$ 18,237,000	\$ 14,193,000

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

Net Pension Liability as of June 30, 2023		
(\$ amounts in thousands)		
	June 30, 2022	June 30, 2023
Total Pension Liability	\$ 42,649	\$ 42,565
Fiduciary Net Position	(22,994)	(24,328)
Net Pension Liability	19,655	18,237
Funded Status	53.9%	57.2%

Payable to this Pension Plan - At June 30, 2023, 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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 \$149 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, 2022, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	174
Inactive employees receiving benefits	41
Inactive employees entitled to, but not yet receiving benefits	-
Total	215

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, 2023, the Authority’s cash contributions were \$70,000 to the trust and the payment of medical costs for retirees of \$99,250 resulting in total payments of \$169,250. 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.

- C. Net OPEB Liability: The City’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was used to determine the June 30, 2023 total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 – June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.70%
Inflation	2.50%
Payroll Growth	2.75%, per annum
Investment Rate of Return	6.25%
Mortality Rate ⁽¹⁾	2017 CalPERS Active Mortality
Pre-Retirement Turnover ⁽¹⁾	2017 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 5.70% which is based on assumed long-term return on plan assets assuming 100% funding through CERBT which is lower than the 6.25% in the 2021 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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 %
Treasury Inflation Protected Securities	5.0 %	3.000 %
Real Estate Investment Trusts	8.0 %	7.250 %
All Commodities	4.0 %	7.545 %

Discount Rate - The discount rate used to measure the total OPEB liability was 5.70%, which assumed that contributions would be sufficient to fully fund the obligation of a period not to exceed 30 years. Using historic 28-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 25 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.

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, 2021	\$ 4,321,810	\$ 1,443,015	\$ 2,878,795
Changes in the year:			
Service cost	191,574	-	191,574
Interest on the total OPEB liability	268,923	-	268,923
Experience (gains)/losses	26,660	-	26,660
Differences between expected and actual experience	-	-	-
Change in assumption	277,671	-	277,671
Contribution – employer	-	326,312	(326,312)
Net investment income	-	(190,025)	190,025
Benefit payments	(256,312)	(256,312)	-
Administrative Expense	-	(372)	372
Net changes	508,516	(120,397)	628,913
Balance at June 30, 2022 (<i>measurement date</i>)	\$ 4,830,326	\$ 1,322,618	\$ 3,507,708

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, 2022:

Sensitivity of Net Pension OPEB to Discount Rate			
	1% Decrease (4.70%)	Discount Rate (5.70%)	1% Increase (6.70%)
Net OPEB Liability	\$ 4,059,843	\$ 3,507,708	\$ 3,027,326

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Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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, 2022:

Sensitivity of Net Pension OPEB to Health Care Cost Trend Rates			
	1% Lower Trend	Valuation Trend	1% Higher Trend
Net OPEB Liability	\$ 2,889,052	\$ 3,507,708	\$ 4,309,385

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, 2023, the Authority recognized OPEB expense of \$564,254. As of fiscal year ended June 30, 2023, the Authority reported deferred outflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Experience (Gains)/Losses	\$ 24,236	\$ (280,384)
Assumption Changes	1,801,700	-
Investment (Gains)/Losses	135,583	-
Contributions after measurement date	169,250	-
	\$ 2,130,769	\$ (280,384)

Contributions after the measurement date of \$169,250 represent contributions for the fiscal year ended June 30, 2023. The \$169,250 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. 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
2024	\$ 194,925
2025	195,740
2026	194,757
2027	225,249
2028	168,772
Thereafter	701,692
Total	\$ 1,681,135

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.

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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.

Governmental Fund Balances	General Fund	Non-major Funds	Total
<i>Nonspendable:</i>			
Loans	\$ 921,302	\$ -	\$ 921,302
<i>Restricted for:</i>			
Affordable housing	-	13,825,215	13,825,215
Park development	-	2,461,628	2,461,628
Highways/streets	-	12,379,910	12,379,910
Drainage	-	3,414,619	3,414,619
Other capital projects	-	6,393,907	6,393,907
Other purposes	-	1,725,661	1,725,661
<i>Committed to:</i>			
Sustainability/Emergency	15,035,000	-	15,035,000
Capital projects	637,718	558,246	1,195,964
Other purposes	954,779	-	954,779
<i>Assigned to:</i>			
Capital projects	4,376,712	14,729,365	19,106,077
Other purposes	402,491	852,635	1,255,126
Future budget	5,814,530	-	5,814,530
<i>Unassigned (deficit)</i>	3,496,324	(924,667)	2,571,657
TOTAL FUND BALANCE	\$ 31,638,856	\$ 55,416,519	\$ 87,055,375

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 20% of General Fund operating expenditures. In order to access the committed fund balance 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 \$15.0 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

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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.

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 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of 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).

CITY OF SAN CLEMENTE
Notes to the Financial Statements (Continued)
For the year ended June 30, 2023

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 \$9.8 million as of June 30, 2023 related to construction and other contractual arrangements.

D. Future Accounting Pronouncements

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

- Statement No. 94 *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements."* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- Statement No. 100, *"Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62."* The requirement of this statement will take effect for financial statements starting with fiscal year that ends June 30, 2024.
- 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.

13. RESTATEMENT OF BEGINNING BALANCES:

A. Restatement of Beginning Balances

At July 1, 2022, the Information Technology Internal Service Fund beginning net position was restated to reflect the implementation of GASB 96. The restatement is summarized below:

	Information Technology Internal Service Fund
Net position at July 1, 2022, previously reported	\$ 1,751,943
Prior Period Adjustment	145,075
Net position at July 1, 2022, as restated	\$ 1,897,018

The Net position on the Government wide statements at July 1, 2022 were also restated to reflect the implementation of GASB 96. The restatement is summarized below:

	Governmental	Business-type
Net position at July 1, 2022, previously reported	\$ 288,755,340	\$ 203,351,549
Prior Period Adjustment	109,392	35,683
Net position at July 1, 2022, as restated	\$ 288,864,732	\$ 203,387,232

The Other Custodial funds beginning balance was adjusted from \$12,495,381 to \$482,708 to reflect a restatement reflecting payments due to bondholders of \$12,012,673.



Required Supplementary Information

CITY OF SAN CLEMENTE
Required Supplementary Information
June 30, 2023

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 \$2,658,330 and the department budgets were reduced by \$2,658,330 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. In the General Fund, expenditures exceeded appropriations in the Fire department (the legal level of budgetary control) by \$70,197 as a result of maintenance charges for facilities.

CITY OF SAN CLEMENTE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	\$ 60,497,230	\$ 60,652,230	\$ 62,024,877	\$ 1,372,647
Permits and fees	1,165,530	1,185,530	1,783,903	598,373
Fines and forfeits	518,300	558,300	521,002	(37,298)
Investment and rentals	3,194,280	3,337,080	3,100,301	(236,779)
Intergovernmental	585,940	1,464,830	906,705	(558,125)
Charges for services	6,258,340	6,568,770	7,310,474	741,704
Other	93,710	93,710	213,654	119,944
Total Revenues	72,313,330	73,860,450	75,860,916	2,000,466
Expenditures:				
General government:				
Administration				
City council	69,121	90,121	86,542	3,579
City manager	457,080	424,580	311,818	112,762
City clerk	938,338	943,338	747,809	195,529
Finance and administrative services	2,587,889	2,539,389	2,131,917	407,472
City general	5,318,345	5,340,795	4,875,609	465,186
Police	21,507,385	21,486,385	21,018,844	467,541
Fire	14,125,080	14,137,080	14,207,277	(70,197)
Public works	15,295,756	15,835,406	15,537,734	297,672
Community development	7,510,060	7,820,710	6,166,744	1,653,966
Beaches, parks and recreation	7,897,901	8,131,951	7,411,335	720,616
Capital outlay	7,663,690	7,859,440	2,481,080	5,378,360
Total Expenditures	83,370,645	84,609,195	74,976,709	9,632,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,057,315)	(10,748,745)	884,207	11,632,952
Other Financing Sources (Uses):				
Transfers in	1,389,400	2,052,230	1,571,723	(480,507)
Transfers out	(2,214,590)	(2,314,590)	(2,383,665)	(69,075)
Total Other Financing Sources (Uses)	(825,190)	(262,360)	(811,942)	(549,582)
Net Change in Fund Balance	(11,882,505)	(11,011,105)	72,265	11,083,370
Fund Balance, Beginning of Year	31,566,591	31,566,591	31,566,591	-
Fund Balance, End of Year	\$ 19,684,086	\$ 20,555,486	\$ 31,638,856	\$ 11,083,370



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%

(1) - This FY 2015 payment to CalPERS was the result of a transfer of assets from CSCERP.

Notes to schedule:

Benefit changes: None

Changes in assumptions:

In 2022, the discount rate was reduced from 7.15% to 6.90% based on long-term market assumptions and payroll growth changed 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 inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions (December 2017). 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). In 2014, amounts reported were based on the 7.5% discount rate.

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

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,655,757	\$ 1,937,126	\$ 2,218,086	\$ 2,270,350	\$ 2,463,676
<u>(1,695,757)</u>	<u>(1,966,283)</u>	<u>(2,403,086)</u>	<u>(4,350,350)</u>	<u>(2,463,676)</u>
<u>\$ (40,000)</u>	<u>\$ (29,157)</u>	<u>\$ (185,000)</u>	<u>\$ (2,080,000)</u>	<u>\$ -</u>
\$ 14,498,796	\$ 15,311,404	\$ 15,727,505	\$ 14,252,842	\$ 14,117,662
11.70%	12.84%	15.28%	30.52%	17.45%

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
Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Proportion of the net pension liability (NPL)	0.143064%	0.15520%	0.14966%
Proportionate share of the net pension liability	\$ 8,902,125	\$ 10,652,582	\$ 12,949,773
Covered payroll	\$ 421,077	\$ 422,372	\$ 436,330
Proportionate share of NPL as a % of payroll	2114.13%	2522.09%	2967.89%
Proportionate share of the net position as a % of plan pension liability	79.82%	78.40%	73.36%

SCHEDULE OF CONTRIBUTIONS

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

Notes:

Benefit changes. None

Changes in assumptions:

In 2022, the discount rate was reduced from 7.15% to 6.90% based on long-term market assumptions and payroll growth changed 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 inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions (December 2017). 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). In 2014, amounts reported were based on the 7.5% discount rate.

Funding Valuation date: June 30, 2020

Measurement date: June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal cost
Actuarial assumptions:	
Discount rate	6.900%
Inflation	2.500%
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 2.75% based on purchasing power

* - Fiscal year 2015 was the 1st year of implementation, therefore only three year's are shown.

2018	2019	2020	2021	2022	2023
<u>6/30/2017</u>	<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>
0.14739%	0.15244%	0.14760%	0.13982%	0.16537%	0.20642%
\$ 14,617,389	\$ 14,689,566	\$ 15,124,475	\$ 15,213,067	\$ 8,943,624	\$ 14,184,445
\$ 461,718	\$ 490,163	\$ 500,521	\$ 435,303	\$ 437,563	\$ 476,851
3165.87%	2996.87%	3021.75%	3494.82%	2043.96%	2974.61%
71.66%	71.17%	70.43%	70.10%	82.57%	72.61%

2018	2019	2020	2021	2022	2023
<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>
\$ 1,171,264	\$ 1,354,976	\$ 1,332,926	\$ 1,466,600	\$ 1,466,845	\$ 1,365,701
(1,171,264)	(1,489,979)	(1,903,221)	(2,070,779)	(3,295,608)	(4,515,701)
\$ -	\$ (135,003)	\$ (570,295)	\$ (604,179)	\$ (1,828,763)	\$ (3,150,000)
\$ 490,163	\$ 500,521	\$ 435,303	\$ 437,563	\$ 476,851	\$ 485,383
238.95%	297.69%	437.22%	473.25%	691.12%	930.34%

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)

	2014	2015	2016	2017
Total Pension Liability (2)				
Discount Rate	7.25%	7.25%	7.25%	7.25%
Service Costs	\$ N/A	\$ 78	\$ 73	\$ 75
Interest	N/A	2,071	2,173	2,214
Experience Losses (Gains)	N/A	-	48	-
Assumption Changes	N/A	-	836	-
Benefit Payments	N/A	(1,606)	(1,640)	(1,723)
Net Change	N/A	543	1,490	566
Total Pension Liability at Beginning of Year	N/A	29,289	29,832	31,322
Total Pension Liability at End of Year	N/A	29,832	31,322	31,888
Plan Fiduciary Net Position (4)				
Additions:				
Employer Contributions	\$ 2,482	\$ 995	\$ 1,001	\$ 1,188
Employee Contributions	1,019	32	33	35
Net Investment Income (Loss)	6,598	413	(235)	2,278
Total Additions	10,099	1,440	799	3,501
Deductions:				
Benefit Payments	(1,378)	(1,606)	(1,640)	(1,723)
Administration Expenses	(38)	(53)	(65)	(34)
Transfer to CalPERS (1)	(32,550)	-	-	-
Total Deductions	(33,966)	(1,659)	(1,705)	(1,757)
Net Change	(23,867)	(219)	(906)	1,744
Fiduciary Net Position - Beginning of Year	43,461	19,594	19,375	18,469
Fiduciary Net Position - End of Year	\$ 19,594	\$ 19,375	\$ 18,469	\$ 20,213
Total Pension Liability (2), (4)	\$ 58,125	\$ 29,284	\$ 29,832	\$ 31,888
Fiduciary Net Position - End of Year	19,594	19,375	18,469	20,213
Net Pension Liability	38,531	9,909	11,363	11,675
Funded Status	33.7%	66.2%	61.9%	59.0%
Covered Payroll (3)	13,446	451	467	488
Net Pension Liability % Payroll	287%	2197%	2433%	2752%

Notes:

- (1) - This payment to CalPERS was the result of a transfer of all active city employee's pension.
- (2) - Information prior to 2011 is not presented as a result of different actuarial methodology being used.
- (3) - Represents only Coastal Animal Services Authority, since City active employees are in CalPERS.
- (4) - The City's proportionate share of the contributions and the liability is 95.9%, the Coastal Animal Services Authority proportion represents 4.1%.

N/A - Not Available

2018	2019	2020	2021	2022	2023
6.25%	6.25%	6.25%	5.75%	5.50%	5.50%
\$ 107	\$ 110	\$ 123	\$ 127	\$ 142	\$ 146
2,148	2,159	2,382	2,392	2,285	2,285
611	-	3,390	-	276	-
2,774	-	161	1,917	935	-
(2,028)	(2,131)	(2,385)	(2,349)	(2,385)	(2,515)
3,612	138	3,671	2,087	1,253	(84)
31,888	35,500	35,638	39,309	41,396	42,649
35,500	35,638	39,309	41,396	42,649	42,565
\$ 1,206	\$ 1,507	\$ 1,512	\$ 2,418	\$ 1,918	\$ 1,797
37	39	40	41	34	35
1,203	1,088	656	5,104	(2,528)	2,066
2,446	2,634	2,208	7,563	(576)	3,898
(2,028)	(2,131)	(2,385)	(2,349)	(2,385)	(2,515)
(26)	(44)	(40)	(52)	(54)	(49)
-	-	-	-	-	-
(2,054)	(2,175)	(2,425)	(2,401)	(2,439)	(2,564)
392	459	(217)	5,162	(3,015)	1,334
20,213	20,605	21,064	20,847	26,009	22,994
\$ 20,605	\$ 21,064	\$ 20,847	\$ 26,009	\$ 22,994	\$ 24,328
\$ 35,500	\$ 35,638	\$ 39,309	\$ 41,396	\$ 42,649	\$ 42,565
20,605	21,064	20,847	26,009	22,994	24,328
14,895	14,574	18,462	15,387	19,655	18,237
58.0%	59.1%	53.0%	62.8%	53.9%	57.2%
520	530	546	549	477	443
2864%	2750%	3381%	2803%	4121%	4117%

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

Last Ten Fiscal Years
 (dollar amount in thousands)

	2014	2015	2016	2017
Contributions				
City of San Clemente		\$ 915	\$ 937	\$ 1,099
Coastal Animal Services Authority		80	64	89
Actuarially determined contribution	\$ 2,482	\$ 995	\$ 1,001	\$ 1,188
Contributions in relation the actuarially determined contribution	\$ 2,482	\$ 995	\$ 1,001	\$ 1,188
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	13,446	451	467	488
Contributions as a % of covered payroll	18%	221%	214%	243%
Investment Returns				
Annual money-weighted rate of return, net of investment expense	13.50%	2.80%	-1.60%	12.55%

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 14 years remaining
Asset method	Fair value of assets
Discount rate	5.50%
Inflation rate	2.50%
Payroll growth	2.75%
Salary increases	2.75%
Mortality	CalPERS Experience Study
Retirement	CalPERS Experience Study
Disability and turnover	CalPERS Experience Study

The July 1, 2021 actuarial valuation changed the discount rate to 5.5%, general inflation to 2.5%, and 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%.

2018	2019	2020	2021	2022	2023
\$ 1,101	\$ 1,360	\$ 1,361	\$ 1,639	\$ 1,681	\$ 1,602
105	147	151	270	177	143
\$ 1,206	\$ 1,507	\$ 1,512	\$ 1,909	\$ 1,858	\$ 1,745
\$ 1,206	\$ 1,507	\$ 1,512	\$ 2,459	\$ 1,918	\$ 1,797
-	-	-	(550)	(60)	(52)
520	530	546	549	477	443
232%	284%	277%	448%	402%	406%
5.94%	5.30%	3.13%	24.21%	-9.68%	8.88%

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
Measurement period	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				
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. None

Changes 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	
06/30/2020- 06/30/2021		06/30/2021- 06/30/2022	
\$	188,770	\$	191,574
	281,739		268,923
	-		26,660
	131,331		277,671
	(281,508)		-
	(238,578)		(256,312)
	81,754		508,516
	4,240,056		4,321,810
\$	4,321,810	\$	4,830,326

\$	303,578	\$	326,312
	229,275		(190,025)
	532,853		136,287

	(238,578)		(256,312)
	(423)		(372)
	(239,001)		(256,684)
	293,852		(120,397)
	1,149,163		1,443,015
\$	1,443,015	\$	1,322,618

\$	2,878,795	\$	3,507,708
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	33.39%		27.38%
\$	15,575,558	\$	15,437,906
	18.48%		22.72%

<u>2022</u>	<u>2023</u>
\$ 169,455	\$ 169,250
(169,455)	(169,250)
<u>\$ -</u>	<u>\$ -</u>
\$ 15,575,558	\$ 15,437,906
1.09%	1.10%



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.

Disaster Relief Fund – This fund is used to account for grant funds received (primarily American Rescue Plan) associated with pandemic related activities and related costs.

Building Homes and Jobs Act Fund – This fund is used to account for dedicated SB2 revenues and Permanent Local Housing Allocation Program funds for housing related activities implementation and planning of sustainable community strategies.

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, 2023

	Special Revenue Funds		
	Gas Tax	Air Quality Improvement	Street Improvement
<u>ASSETS:</u>			
Cash and investments	\$ 6,110,124	\$ 93,244	\$ 4,772,438
Receivables (net of allowances for uncollectibles):			
Accounts receivable	-	267,343	51,585
Interest receivable	29,261	447	22,854
Due from other governments	379,576	254,029	221,653
Loans receivable	-	-	-
Total assets	<u>\$ 6,518,961</u>	<u>\$ 615,063</u>	<u>\$ 5,068,530</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 147,009	\$ -	\$ 297,425
Accrued wages	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>147,009</u>	<u>-</u>	<u>297,425</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	6,371,952	-	4,771,105
Other purposes	-	114,829	-
Committed			
Capital projects	-	-	-
Assigned			
Capital projects	-	-	-
Other purposes	-	-	-
Unassigned	-	-	-
Total fund balances	<u>6,371,952</u>	<u>114,829</u>	<u>4,771,105</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,518,961</u>	<u>\$ 615,063</u>	<u>\$ 5,068,530</u>

Special Revenue Funds

Police Grants	Miscellaneous Grants	Local Cable Infrastructure	Local Transit	Disaster Relief	Building Homes & Jobs Act
\$ 270,791	\$ -	\$ 1,105,554	\$ -	\$ 1,827,337	\$ 86,335
-	-	40,546	151,621	-	-
1,297	-	5,295	-	-	400
-	195,098	-	768,308	-	-
-	412,287	-	-	-	-
<u>\$ 272,088</u>	<u>\$ 607,385</u>	<u>\$ 1,151,395</u>	<u>\$ 919,929</u>	<u>\$ 1,827,337</u>	<u>\$ 86,735</u>
\$ 13,442	\$ 16,356	\$ -	\$ 133,815	\$ 90,150	\$ -
-	-	-	-	-	2,131
-	-	-	-	877,356	-
-	-	-	-	-	-
-	183,278	-	802,852	-	-
<u>13,442</u>	<u>199,634</u>	<u>-</u>	<u>936,667</u>	<u>967,506</u>	<u>2,131</u>
-	-	-	907,929	-	-
-	-	-	907,929	-	-
-	-	1,151,395	-	-	-
258,646	407,751	-	-	859,831	84,604
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(924,667)	-	-
<u>258,646</u>	<u>407,751</u>	<u>1,151,395</u>	<u>(924,667)</u>	<u>859,831</u>	<u>84,604</u>
<u>\$ 272,088</u>	<u>\$ 607,385</u>	<u>\$ 1,151,395</u>	<u>\$ 919,929</u>	<u>\$ 1,827,337</u>	<u>\$ 86,735</u>

(Continued)

CITY OF SAN CLEMENTE
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2023

	Capital Projects Funds		
	Developers Improvement	Public Facilities Construction	Reserve
<u>ASSETS:</u>			
Cash and investments	\$ 5,044,467	\$ 1,608,214	\$ 16,084,415
Receivables (net of allowances for uncollectibles):			
Accounts receivable	-	-	-
Interest receivable	24,157	7,702	77,026
Due from other governments	-	-	-
Loans receivable	-	-	-
Total assets	<u>\$ 5,068,624</u>	<u>\$ 1,615,916</u>	<u>\$ 16,161,441</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ 14,691	\$ 21,195
Accrued wages	-	-	-
Unearned revenue	-	300,000	-
Deposits payable	188,429	-	-
Due to other funds	-	-	-
Total liabilities	<u>188,429</u>	<u>314,691</u>	<u>21,195</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - receivables	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Restricted			
Capital projects	4,880,195	1,301,225	-
Other purposes	-	-	-
Committed			
Capital projects	-	-	558,246
Assigned			
Capital projects	-	-	14,729,365
Other purposes	-	-	852,635
Unassigned	-	-	-
Total fund balances	<u>4,880,195</u>	<u>1,301,225</u>	<u>16,140,246</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,068,624</u>	<u>\$ 1,615,916</u>	<u>\$ 16,161,441</u>

Capital Projects Funds

Low/Moderate Income Housing	In Lieu Housing	Local Drainage Facilities	RCFPP	Parks Acquisition and Development	Total Nonmajor Governmental Funds
\$ 755,022	\$ 1,849,720	\$ 2,545,045	\$ 1,235,978	\$ 2,449,896	\$ 45,838,580
-	-	-	-	11,732	522,827
3,616	8,726	12,188	5,919	-	198,888
-	-	-	-	-	1,818,664
2,167,567	9,040,564	-	-	-	11,620,418
<u>\$ 2,926,205</u>	<u>\$ 10,899,010</u>	<u>\$ 2,557,233</u>	<u>\$ 1,241,897</u>	<u>\$ 2,461,628</u>	<u>\$ 59,999,377</u>
\$ -	\$ -	\$ 81,522	\$ 5,044	\$ -	\$ 820,649
-	-	-	-	-	2,131
-	-	-	-	-	1,177,356
-	-	-	-	-	188,429
-	-	-	-	-	986,130
<u>-</u>	<u>-</u>	<u>81,522</u>	<u>5,044</u>	<u>-</u>	<u>3,174,695</u>
-	-	-	-	-	1,408,163
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408,163</u>
-	-	2,475,711	1,236,853	2,461,628	24,650,064
2,926,205	10,899,010	-	-	-	15,550,876
-	-	-	-	-	558,246
-	-	-	-	-	14,729,365
-	-	-	-	-	852,635
-	-	-	-	-	(924,667)
<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>55,416,519</u>
<u>\$ 2,926,205</u>	<u>\$ 10,899,010</u>	<u>\$ 2,557,233</u>	<u>\$ 1,241,897</u>	<u>\$ 2,461,628</u>	<u>\$ 59,999,377</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, 2023

	Special Revenue Funds		
	Gas Tax	Air Quality Improvement	Street Improvement
Revenues:			
Taxes	\$ -	\$ -	\$ 5
Investment and rentals	28,041	206	62,409
Intergovernmental	3,148,741	81,896	1,403,304
Charges for services	-	-	-
Developer fees	-	-	-
Other	58,981	-	-
Total Revenues	<u>3,235,763</u>	<u>82,102</u>	<u>1,465,718</u>
Expenditures:			
Current:			
General government	-	-	-
Police	-	-	-
Public works	90,810	53,842	424,447
Community development	-	-	-
Beaches, parks and recreation	-	-	-
Capital outlay	1,406,173	-	1,958,561
Total Expenditures	<u>1,496,983</u>	<u>53,842</u>	<u>2,383,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,738,780</u>	<u>28,260</u>	<u>(917,290)</u>
Other Financing Sources (Uses):			
Transfers in	49,721	-	502,821
Transfers out	<u>(453,629)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(403,908)</u>	<u>-</u>	<u>502,821</u>
Net Change in Fund Balances	1,334,872	28,260	(414,469)
Fund Balance (Deficit) at Beginning of Year	<u>5,037,080</u>	<u>86,569</u>	<u>5,185,574</u>
Fund Balance (Deficit) at End of Year	<u>\$ 6,371,952</u>	<u>\$ 114,829</u>	<u>\$ 4,771,105</u>

Special Revenue Funds

Police Grants	Miscellaneous Grants	Local Cable Infrastructure	Local Transit	Disaster Relief	Building Homes & Jobs Act
\$ -	\$ -	\$ 215,045	\$ -	\$ -	\$ -
2,838	-	13,453	(8,071)	52,640	399
165,271	703,141	-	56,690	4,002,581	189,040
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>168,109</u>	<u>703,141</u>	<u>228,498</u>	<u>48,619</u>	<u>4,055,221</u>	<u>189,439</u>
-	-	7,290	-	379,857	-
161,300	-	-	-	-	-
-	-	-	910,142	-	-
-	239,367	-	-	-	104,835
-	-	-	-	-	-
-	394,632	353,333	-	2,533,012	-
<u>161,300</u>	<u>633,999</u>	<u>360,623</u>	<u>910,142</u>	<u>2,912,869</u>	<u>104,835</u>
<u>6,809</u>	<u>69,142</u>	<u>(132,125)</u>	<u>(861,523)</u>	<u>1,142,352</u>	<u>84,604</u>
-	-	-	300,000	475,000	-
-	(8,520)	-	-	(1,059,574)	-
-	(8,520)	-	300,000	(584,574)	-
6,809	60,622	(132,125)	(561,523)	557,778	84,604
251,837	347,129	1,283,520	(363,144)	302,053	-
<u>\$ 258,646</u>	<u>\$ 407,751</u>	<u>\$ 1,151,395</u>	<u>\$ (924,667)</u>	<u>\$ 859,831</u>	<u>\$ 84,604</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, 2023

	Capital Projects Funds		
	Developers	Public	Reserve
	Improvement	Facilities Construction	
Revenues:			
Taxes	\$ -	\$ -	\$ -
Investment and rentals	90,994	42,186	162,238
Intergovernmental	-	-	-
Charges for services	-	-	751,970
Developer fees	126,858	50,331	-
Other	21,034	-	56,662
Total Revenues	<u>238,886</u>	<u>92,517</u>	<u>970,870</u>
Expenditures:			
Current:			
General government	-	-	120,241
Police	-	-	-
Public works	15,120	-	-
Community development	-	20,920	-
Beaches, parks and recreation	-	-	-
Capital outlay	-	475,996	828,985
Total Expenditures	<u>15,120</u>	<u>496,916</u>	<u>949,226</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>223,766</u>	<u>(404,399)</u>	<u>21,644</u>
Other Financing Sources (Uses):			
Transfers in	-	-	500,000
Transfers out	-	(475,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(475,000)</u>	<u>500,000</u>
Net Change in Fund Balances	223,766	(879,399)	521,644
Fund Balance (Deficit) at Beginning of Year	<u>4,656,429</u>	<u>2,180,624</u>	<u>15,618,602</u>
Fund Balance (Deficit) at End of Year	<u>\$ 4,880,195</u>	<u>\$ 1,301,225</u>	<u>\$ 16,140,246</u>

Capital Projects Funds

Low/Moderate Income Housing	In Lieu Housing	Local Drainage Facilities	RCFPP	Parks Acquisition and Development	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,050
39,948	154,334	45,838	1,546	23,674	712,673
-	-	-	-	-	9,750,664
-	-	-	-	-	751,970
-	-	204	362,865	14,481	554,739
-	-	-	-	84,713	221,390
<u>39,948</u>	<u>154,334</u>	<u>46,042</u>	<u>364,411</u>	<u>122,868</u>	<u>12,206,486</u>
-	-	-	-	-	507,388
-	-	-	-	-	161,300
-	-	28,563	10,720	-	1,533,644
18,766	7,430	-	-	-	391,318
-	-	-	-	12,760	12,760
-	-	725,325	7,339	4,190	8,687,546
<u>18,766</u>	<u>7,430</u>	<u>753,888</u>	<u>18,059</u>	<u>16,950</u>	<u>11,293,956</u>
21,182	146,904	(707,846)	346,352	105,918	912,530
69,075	-	74,436	-	-	1,971,053
-	-	-	(35,131)	-	(2,031,854)
<u>69,075</u>	<u>-</u>	<u>74,436</u>	<u>(35,131)</u>	<u>-</u>	<u>(60,801)</u>
90,257	146,904	(633,410)	311,221	105,918	851,729
<u>2,835,948</u>	<u>10,752,106</u>	<u>3,109,121</u>	<u>925,632</u>	<u>2,355,710</u>	<u>54,564,790</u>
<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>\$ 55,416,519</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 76,600	\$ 28,041	\$ (48,559)
Intergovernmental	4,484,320	3,148,741	(1,335,579)
Other	58,000	58,981	981
Total Revenues	4,618,920	3,235,763	(1,383,157)
Expenditures:			
Current:			
Public Works	173,020	90,810	82,210
Capital outlay	7,797,240	1,406,173	6,391,067
Total Expenditures	7,970,260	1,496,983	6,473,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,351,340)	1,738,780	5,090,120
Other Financing Sources (Uses):			
Transfers in	609,590	49,721	(559,869)
Transfers out	(1,330,000)	(453,629)	876,371
Total Other Financing Sources (Uses)	(720,410)	(403,908)	316,502
Net Change in Fund Balance	(4,071,750)	1,334,872	5,406,622
Fund Balance, Beginning of Year	5,037,080	5,037,080	-
Fund Balance, End of Year	\$ 965,330	\$ 6,371,952	\$ 5,406,622

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 2,000	\$ 206	\$ (1,794)
Intergovernmental	334,000	81,896	(252,104)
Total Revenues	<u>336,000</u>	<u>82,102</u>	<u>(253,898)</u>
Expenditures:			
Current:			
Public works	140,000	53,842	86,158
Total Expenditures	<u>140,000</u>	<u>53,842</u>	<u>86,158</u>
Net Change in Fund Balance	196,000	28,260	(167,740)
Fund Balance, Beginning of Year	<u>86,569</u>	<u>86,569</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 282,569</u></u>	<u><u>\$ 114,829</u></u>	<u><u>\$ (167,740)</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ -	\$ 5	\$ 5
Investment and rentals	75,000	62,409	(12,591)
Intergovernmental	964,670	1,403,304	438,634
Total Revenues	<u>1,039,670</u>	<u>1,465,718</u>	<u>426,048</u>
Expenditures:			
Current:			
Public works	1,501,040	424,447	1,076,593
Capital outlay	5,180,900	1,958,561	3,222,339
Total Expenditures	<u>6,681,940</u>	<u>2,383,008</u>	<u>4,298,932</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,642,270)</u>	<u>(917,290)</u>	<u>4,724,980</u>
Other Financing Sources (Uses):			
Transfers in	700,000	502,821	(197,179)
Total Other Financing Sources (Uses)	<u>700,000</u>	<u>502,821</u>	<u>(197,179)</u>
Net Change in Fund Balance	(4,942,270)	(414,469)	4,527,801
Fund Balance, Beginning of Year	<u>5,185,574</u>	<u>5,185,574</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 243,304</u>	<u>\$ 4,771,105</u>	<u>\$ 4,527,801</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 5,000	\$ 2,838	\$ (2,162)
Intergovernmental	161,280	165,271	3,991
Total Revenues	166,280	168,109	1,829
Expenditures:			
Current:			
Police	219,230	161,300	57,930
Net Change in Fund Balance	(52,950)	6,809	59,759
Fund Balance, Beginning of Year	251,837	251,837	-
Fund Balance, End of Year	\$ 198,887	\$ 258,646	\$ 59,759

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,037,770	\$ 703,141	(334,629)
Other	10,000	-	(10,000)
Total Revenues	<u>1,047,770</u>	<u>703,141</u>	<u>(344,629)</u>
Expenditures:			
Current:			
Community development	327,182	239,367	87,815
Capital outlay	537,448	394,632	142,816
Total Expenditures	<u>864,630</u>	<u>633,999</u>	<u>230,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>183,140</u>	<u>69,142</u>	<u>(113,998)</u>
Other Financing Sources (Uses):			
Transfers out	(9,400)	(8,520)	880
Total Other Financing Sources (Uses)	<u>(9,400)</u>	<u>(8,520)</u>	<u>880</u>
Net Change in Fund Balance	173,740	60,622	(113,118)
Fund Balance, Beginning of Year	<u>347,129</u>	<u>347,129</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 520,869</u>	<u>\$ 407,751</u>	<u>\$ (113,118)</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 200,000	\$ 215,045	\$ 15,045
Investment and rentals	14,000	13,453	(547)
Total Revenues	<u>214,000</u>	<u>228,498</u>	<u>14,498</u>
Expenditures:			
Current:			
General government	7,290	7,290	-
Capital outlay	<u>574,000</u>	<u>353,333</u>	<u>220,667</u>
Total Expenditures	<u>581,290</u>	<u>360,623</u>	<u>220,667</u>
Net Change in Fund Balance	(367,290)	(132,125)	235,165
Fund Balance, Beginning of Year	<u>1,283,520</u>	<u>1,283,520</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 916,230</u></u>	<u><u>\$ 1,151,395</u></u>	<u><u>\$ 235,165</u></u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 500	\$ (8,071)	\$ (8,571)
Intergovernmental	1,109,850	56,690	(1,053,160)
Total Revenues	1,110,350	48,619	(1,061,731)
Expenditures:			
Current:			
Public works	1,053,220	910,142	143,078
Total Expenditures	1,053,220	910,142	143,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,130	(861,523)	(918,653)
Other Financing Sources (Uses):			
Transfers in	300,000	300,000	-
Net Change in Fund Balance	357,130	(561,523)	(918,653)
Fund Balance, Beginning of Year	(363,144)	(363,144)	-
Fund Balance, End of Year	\$ (6,014)	\$ (924,667)	\$ (918,653)

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 40,000	\$ 52,640	\$ 12,640
Intergovernmental	4,879,940	4,002,581	(877,359)
Total Revenues	4,919,940	4,055,221	(864,719)
Expenditures:			
Current:			
General government	775,620	379,857	395,763
Capital outlay	3,709,430	2,533,012	1,176,418
Total Expenditures	4,485,050	2,912,869	1,572,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	434,890	1,142,352	707,462
Other Financing Sources (Uses):			
Transfers in	475,000	475,000	-
Transfers out	(1,462,830)	(1,059,574)	403,256
Total Other Financing Sources (Uses)	(987,830)	(584,574)	403,256
Net Change in Fund Balance	(552,940)	557,778	1,110,718
Fund Balance, Beginning of Year	302,053	302,053	-
Fund Balance, End of Year	\$ (250,887)	\$ 859,831	\$ 1,110,718

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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment and rentals	\$ -	399	\$ 399
Intergovernmental	<u>482,870</u>	<u>189,040</u>	<u>(293,830)</u>
Total Revenues	<u>482,870</u>	<u>189,439</u>	<u>(293,431)</u>
Expenditures:			
Current:			
Community development	<u>482,000</u>	<u>104,835</u>	<u>377,165</u>
Total Expenditures	<u>482,000</u>	<u>104,835</u>	<u>377,165</u>
Net Change in Fund Balance	870	84,604	83,734
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 870</u></u>	<u><u>\$ 84,604</u></u>	<u><u>\$ 83,734</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 65,000	\$ 90,994	\$ 25,994
Intergovernmental	-	-	
Developer fees	122,880	126,858	3,978
Other	-	21,034	21,034
	<u>187,880</u>	<u>238,886</u>	<u>51,006</u>
Total Revenues			
Expenditures:			
Current:			
Public works	15,120	15,120	-
Capital outlay	48,970	-	48,970
	<u>64,090</u>	<u>15,120</u>	<u>48,970</u>
Total Expenditures			
Net Change in Fund Balance	123,790	223,766	99,976
Fund Balance, Beginning of Year	<u>4,656,429</u>	<u>4,656,429</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,780,219</u>	<u>\$ 4,880,195</u>	<u>\$ 99,976</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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 36,000	\$ 42,186	\$ 6,186
Developer fees	38,000	50,331	12,331
Total Revenues	<u>74,000</u>	<u>92,517</u>	<u>18,517</u>
Expenditures:			
Current:			
Community development	20,920	20,920	-
Capital outlay	678,320	475,996	202,324
Total Expenditures	<u>699,240</u>	<u>496,916</u>	<u>202,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(625,240)	(404,399)	220,841
Other Financing Sources:			
Transfers out	<u>(475,000)</u>	<u>(475,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(475,000)</u>	<u>(475,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,100,240)	(879,399)	220,841
Fund Balance, Beginning of Year	<u>2,180,624</u>	<u>2,180,624</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,080,384</u></u>	<u><u>\$ 1,301,225</u></u>	<u><u>\$ 220,841</u></u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment and rentals	\$ 200,000	\$ 162,238	\$ (37,762)
Intergovernmental	220,000	-	(220,000)
Charges for services	751,970	751,970	-
Other	24,790	56,662	31,872
	<u>1,196,760</u>	<u>970,870</u>	<u>(225,890)</u>
Total Revenues			
Expenditures:			
Current:			
General government	260,000	120,241	139,759
Capital outlay	7,355,350	828,985	6,526,365
	<u>7,615,350</u>	<u>949,226</u>	<u>6,666,124</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,418,590)	21,644	6,440,234
Other Financing Sources (Uses):			
Transfers in	500,000	500,000	-
	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	(5,918,590)	521,644	6,440,234
Fund Balance, Beginning of Year	15,618,602	15,618,602	-
	<u>15,618,602</u>	<u>15,618,602</u>	<u>-</u>
Fund Balance, End of Year	\$ 9,700,012	\$ 16,140,246	\$ 6,440,234
	<u>\$ 9,700,012</u>	<u>\$ 16,140,246</u>	<u>\$ 6,440,234</u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 7,000	\$ 39,948	\$ 32,948
Total Revenues	<u>7,000</u>	<u>39,948</u>	<u>32,948</u>
Expenditures:			
Current:			
Community development	48,160	18,766	29,394
Total Expenditures	<u>48,160</u>	<u>18,766</u>	<u>29,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,160)</u>	<u>21,182</u>	<u>62,342</u>
Other Financing Sources (Uses):			
Transfers in	-	69,075	69,075
Total Other Financing Sources (Uses)	<u>-</u>	<u>69,075</u>	<u>69,075</u>
Net Change in Fund Balance	(41,160)	90,257	131,417
Fund Balance, Beginning of Year	<u>2,835,948</u>	<u>2,835,948</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,794,788</u>	<u>\$ 2,926,205</u>	<u>\$ 131,417</u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 50,000	\$ 154,334	\$ 104,334
Total Revenues	<u>50,000</u>	<u>154,334</u>	<u>104,334</u>
Expenditures:			
Current:			
Community development	7,430	7,430	-
Total Expenditures	<u>7,430</u>	<u>7,430</u>	<u>-</u>
Net Change in Fund Balance	42,570	146,904	104,334
Fund Balance, Beginning of Year	<u>10,752,106</u>	<u>10,752,106</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 10,794,676</u></u>	<u><u>\$ 10,899,010</u></u>	<u><u>\$ 104,334</u></u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 42,000	\$ 45,838	\$ 3,838
Developer fees	500	204	(296)
Total Revenues	42,500	46,042	3,542
Expenditures:			
Current:			
Public works	52,810	28,563	24,247
Capital outlay	2,479,500	725,325	1,754,175
Total Expenditures	2,532,310	753,888	1,778,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,489,810)	(707,846)	1,781,964
Other Financing Sources (Uses):			
Transfers in	350,000	74,436	(275,564)
Total Other Financing Sources (Uses)	350,000	74,436	(275,564)
Net Change in Fund Balance	(2,139,810)	(633,410)	1,506,400
Fund Balance, Beginning of Year	3,109,121	3,109,121	-
Fund Balance, End of Year	\$ 969,311	\$ 2,475,711	\$ 1,506,400

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment and rentals	\$ 12,000	\$ 1,546	\$ (10,454)
Developer fees	8,000	362,865	354,865
Total Revenues	<u>20,000</u>	<u>364,411</u>	<u>344,411</u>
Expenditures:			
Current:			
Public works	10,720	10,720	-
Capital outlay	<u>1,090,120</u>	<u>7,339</u>	<u>1,082,781</u>
Total Expenditures	<u>1,100,840</u>	<u>18,059</u>	<u>1,082,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,080,840)	346,352	1,427,192
Other Financing Sources (Uses):			
Transfers in	300,000	-	(300,000)
Transfers out	<u>(95,000)</u>	<u>(35,131)</u>	<u>59,869</u>
Total Transfers	<u>205,000</u>	<u>(35,131)</u>	<u>(240,131)</u>
Net Change in Fund Balance	(875,840)	311,221	1,187,061
Fund Balance, Beginning of Year	<u>925,632</u>	<u>925,632</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 49,792</u>	<u>\$ 1,236,853</u>	<u>\$ 1,187,061</u>

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, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment and rentals	\$ 23,000	\$ 23,674	\$ 674
Developer fees	40,000	14,481	(25,519)
Other	84,710	84,713	3
Total Revenues	<u>147,710</u>	<u>122,868</u>	<u>(24,842)</u>
Expenditures:			
Current:			
Beaches, parks and recreation	12,760	12,760	-
Capital outlay	877,830	4,190	873,640
Total Expenditures	<u>890,590</u>	<u>16,950</u>	<u>873,640</u>
Net Change in Fund Balance	(742,880)	105,918	848,798
Fund Balance, Beginning of Year	<u>2,355,710</u>	<u>2,355,710</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,612,830</u>	<u>\$ 2,461,628</u>	<u>\$ 848,798</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, 2023

	Clean Ocean	Solid Waste Management	Totals
ASSETS:			
Current Assets:			
Cash and investments	\$ 906,450	\$ 721,531	\$ 1,627,981
Receivables (net of allowances for uncollectible accounts)	5,476	24,505	29,981
Accrued interest	4,341	3,455	7,796
Total Current Assets	<u>916,267</u>	<u>749,491</u>	<u>1,665,758</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	(15,000)	-	(15,000)
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>916,267</u>	<u>749,491</u>	<u>1,665,758</u>
LIABILITIES:			
Current Liabilities			
Accounts payable	321,138	-	321,138
Accrued wages	-	926	926
Compensated absences payable	-	3,031	3,031
Total Current Liabilities	<u>321,138</u>	<u>3,957</u>	<u>325,095</u>
Noncurrent Liabilities:			
Compensated absences payable	-	7,422	7,422
Total Liabilities	<u>321,138</u>	<u>11,379</u>	<u>332,517</u>
Net Position:			
Unrestricted	<u>595,129</u>	<u>738,112</u>	<u>1,333,241</u>
Total Net Position	<u>\$ 595,129</u>	<u>\$ 738,112</u>	<u>\$ 1,333,241</u>

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2023

	Clean Ocean	Solid Waste Management	Totals
Operating Revenues:			
Charges for services	\$ (5,943)	\$ 242,348	\$ 236,405
Other	59,341	16,137	75,478
Total Operating Revenues	<u>53,398</u>	<u>258,485</u>	<u>311,883</u>
Operating Expenses:			
Salaries and benefits	31,430	123,147	154,577
Cost of materials and supplies	15,952	7,558	23,510
Maintenance and other operating expenses	1,241,519	116,351	1,357,870
Total Operating Expenses	<u>1,288,901</u>	<u>247,056</u>	<u>1,535,957</u>
Operating Income (Loss)	<u>(1,235,503)</u>	<u>11,429</u>	<u>(1,224,074)</u>
Non-Operating Revenues (Expenses):			
Investment income	1,896	3,378	5,274
Grant income	250,000	101,111	351,111
Total Non-Operating Revenues	<u>251,896</u>	<u>104,489</u>	<u>356,385</u>
Income (Loss) Before Transfers	<u>(983,607)</u>	<u>115,918</u>	<u>(867,689)</u>
Transfers:			
Transfers in	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Transfers	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Change in Net Position	16,393	115,918	132,311
Net Position - Beginning of Year	<u>578,736</u>	<u>622,194</u>	<u>1,200,930</u>
Net Position - End of Year	<u>\$ 595,129</u>	<u>\$ 738,112</u>	<u>\$ 1,333,241</u>

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2023

	Clean Ocean	Solid Waste Management	Totals
Cash Flows from Operating Activities:			
Cash received from customers	\$ 286,007	\$ 274,361	\$ 560,368
Cash paid to other suppliers for goods or services	(1,288,866)	(124,324)	(1,413,190)
Cash payment to employees	(31,430)	(125,589)	(157,019)
Net Cash Provided by (Used for) Operating Activities	(1,034,289)	24,448	(1,009,841)
Cash Flows from Noncapital Financing Activities:			
Grant receipts	250,000	101,111	351,111
Cash received from other funds	1,000,000	-	1,000,000
Net Cash Provided by (Used for) Noncapital Financing Activities	1,250,000	101,111	1,351,111
Cash Flows from Investing Activities:			
Investment income received	(453)	1,635	1,182
Net Cash Provided by (Used for) Investing Activities	(453)	1,635	1,182
Net Increase (Decrease) in Cash and Cash Equivalents	215,258	127,194	342,452
Cash and Cash Equivalents at Beginning of Year	691,192	594,337	1,285,529
Cash and Cash Equivalents at End of Year	\$ 906,450	\$ 721,531	\$ 1,627,981
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (1,235,503)	\$ 11,429	\$ (1,224,074)
Adjustments to Reconcile Operating Income to Net Cash			
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	232,609	15,876	248,485
Increase (decrease) in accounts payable	(31,395)	(415)	(31,810)
Increase (decrease) in accrued wages	-	(1,738)	(1,738)
Increase (decrease) in compensated absences	-	(704)	(704)
Total Adjustments	201,214	13,019	214,233
Net Cash Provided by (Used for) Operating Activities	\$ (1,034,289)	\$ 24,448	\$ (1,009,841)
Noncash investing, capital, and financing activities:			
Unrealized gain (loss) from investments	\$ (13,406)	\$ (9,483)	\$ (22,889)

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, 2023

	Employee Benefits	Central Services
ASSETS:		
Current Assets:		
Cash and investments	\$ 334,785	\$ 412,252
Receivables (net of uncollectible allowance):		
Accounts	16,835	-
Accrued interest	1,548	1,974
Total Current Assets	353,168	414,226
Noncurrent Assets:		
Capital Assets:		
Buildings	-	-
Improvements other than buildings	-	-
Subscription asset	-	-
Machinery and equipment	-	180,246
Total Capital Assets	-	180,246
Less accumulated depreciation/amortization	-	(180,246)
Net Capital Assets	-	-
Total Noncurrent Assets	-	-
Total Assets	353,168	414,226
DEFERRED OUTFLOWS OF RESOURCES:		
OPEB Pension deferral	-	-
LIABILITIES:		
Current Liabilities:		
Accounts payable	-	15,717
Accrued wages	285,368	-
Accrued interest payable	-	-
Subscription payable	-	-
Compensated absences payable	-	-
Claims and judgements payable	-	-
Total Current Liabilities	285,368	15,717
Noncurrent Liabilities:		
Subscription payable	-	-
Compensated absences payable	-	-
Claims and judgments payable	-	-
Net OPEB liability	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	285,368	15,717
DEFERRED INFLOWS OF RESOURCES:		
OPEB Pension deferral	-	-
NET POSITION:		
Net investment in capital assets	-	-
Unrestricted	67,800	398,509
Total Net Position	\$ 67,800	\$ 398,509

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 1,466,454	\$ 6,872,730	\$ 241,506	\$ 2,025,483	\$ 6,221,904	\$ 17,575,114
-	-	7,361	-	-	24,196
7,023	32,913	1,157	9,700	29,796	84,111
<u>1,473,477</u>	<u>6,905,643</u>	<u>250,024</u>	<u>2,035,183</u>	<u>6,251,700</u>	<u>17,683,421</u>
-	443,134	-	-	-	443,134
635,550	569,260	-	-	-	1,204,810
1,029,490	-	-	-	-	1,029,490
665,917	6,369,773	-	-	-	7,215,936
2,330,957	7,382,167	-	-	-	9,893,370
(1,046,872)	(5,677,705)	-	-	-	(6,904,823)
1,284,085	1,704,462	-	-	-	2,988,547
1,284,085	1,704,462	-	-	-	2,988,547
2,757,562	8,610,105	250,024	2,035,183	6,251,700	20,671,968
-	-	2,130,769	-	-	2,130,769
65,043	119,095	18,764	1,650	23,001	243,270
7,622	-	-	-	1,151	294,141
5,485	-	-	-	-	5,485
233,365	-	-	-	-	233,365
35,093	-	-	-	810	35,903
-	-	-	279,258	446,673	725,931
<u>346,608</u>	<u>119,095</u>	<u>18,764</u>	<u>280,908</u>	<u>471,635</u>	<u>1,538,095</u>
325,837	-	-	-	-	325,837
85,916	-	-	-	1,984	87,900
-	-	-	210,669	336,963	547,632
-	-	3,507,708	-	-	3,507,708
411,753	-	3,507,708	210,669	338,947	4,469,077
758,361	119,095	3,526,472	491,577	810,582	6,007,172
-	-	280,384	-	-	280,384
724,883	1,704,462	-	-	-	2,429,345
1,274,318	6,786,548	(1,426,063)	1,543,606	5,441,118	14,085,836
<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>

CITY OF SAN CLEMENTE
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Employee Benefits	Central Services
Operating Revenues:		
Charges for current services	\$ -	\$ 431,032
Other	-	-
Total Operating Revenues	-	431,032
Operating Expenses:		
Salaries and benefits	1,664	6,085
Cost of materials and supplies	-	39,120
Depreciation/amortization	-	-
Workers compensation insurance	-	-
Employee health/life insurance	-	-
Liability insurance	-	-
Benefit payments	-	-
Maintenance and other operating expenses	-	337,798
Total Operating Expenses	1,664	383,003
Operating Income (Loss)	(1,664)	48,029
Nonoperating Revenues (Expenses):		
Investment income	7,215	3,281
Interest expense	-	-
Gain (loss) on sale of property	-	-
Total Nonoperating Revenues (Expenses)	7,215	3,281
Change in Net Position	5,551	51,310
Net Position - Beginning of Year	62,249	347,199
Restatement	-	-
Net Position - Beginning of Year, as Restated	62,249	347,199
Net Position - End of Year	\$ 67,800	\$ 398,509

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 2,009,660	\$ 1,740,330	\$ 3,417,664	\$ 465,847	\$ 2,688,000	\$ 10,752,533
-	266	13,871	19,270	753	34,160
<u>2,009,660</u>	<u>1,740,596</u>	<u>3,431,535</u>	<u>485,117</u>	<u>2,688,753</u>	<u>10,786,693</u>
840,730	-	-	-	138,963	987,442
807	527,975	-	-	-	567,902
401,580	418,141	-	-	-	819,721
-	-	-	166,165	-	166,165
-	-	3,290,356	-	-	3,290,356
-	-	-	-	2,296,365	2,296,365
-	-	182,784	(3,686)	415,361	594,459
660,386	806,529	126,653	74,952	77,584	2,083,902
<u>1,903,503</u>	<u>1,752,645</u>	<u>3,599,793</u>	<u>237,431</u>	<u>2,928,273</u>	<u>10,806,312</u>
<u>106,157</u>	<u>(12,049)</u>	<u>(168,258)</u>	<u>247,686</u>	<u>(239,520)</u>	<u>(19,619)</u>
10,863	76,360	(1,574)	16,251	43,145	155,541
(14,837)	-	-	-	-	(14,837)
<u>-</u>	<u>142,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,217</u>
<u>(3,974)</u>	<u>218,577</u>	<u>(1,574)</u>	<u>16,251</u>	<u>43,145</u>	<u>282,921</u>
102,183	206,528	(169,832)	263,937	(196,375)	263,302
1,751,943	8,284,482	(1,256,231)	1,279,669	5,637,493	16,106,804
145,075	-	-	-	-	145,075
<u>1,897,018</u>	<u>8,284,482</u>	<u>(1,256,231)</u>	<u>1,279,669</u>	<u>5,637,493</u>	<u>16,251,879</u>
<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>

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Employee Benefits	Central Service
Cash Flows from Operating Activities:		
Receipts from interfund charges	\$ -	\$ 431,032
Cash paid to other suppliers of goods or services	(8,615)	(394,818)
Cash payment to employees	(78,593)	(6,100)
Net Cash Provided by (Used for) Operating Activities	(87,208)	30,114
 Cash Flows from Capital and Related Financing Activities:		
Purchase and construction of capital assets	-	-
Sale 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)	5,667	2,401
Net Cash Provided by (Used for) Investing Activities:	5,667	2,401
 Net Increase (Decrease) in Cash and Cash Equivalents	(81,541)	32,515
 Cash and Cash Equivalents at Beginning of Year -as Restated	416,326	379,737
Cash and Cash Equivalents at End of Year	\$ 334,785	\$ 412,252

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 2,009,660	\$ 1,740,596	\$ 3,430,264	\$ 485,117	\$ 2,695,563	\$ 10,792,232
(97,296)	(1,336,177)	(3,362,730)	(366,174)	(2,309,058)	(7,874,868)
(846,375)	-	-	-	(138,168)	(1,069,236)
<u>1,065,989</u>	<u>404,419</u>	<u>67,534</u>	<u>118,943</u>	<u>248,337</u>	<u>1,848,128</u>
(1,094,725)	(763,473)	-	-	-	(1,858,198)
-	143,580	-	-	-	143,580
(14,837)	-	-	-	-	(14,837)
<u>(1,109,562)</u>	<u>(619,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,729,455)</u>
13,220	63,686	(2,223)	12,094	30,472	125,317
<u>13,220</u>	<u>63,686</u>	<u>(2,223)</u>	<u>12,094</u>	<u>30,472</u>	<u>125,317</u>
(30,353)	(151,788)	65,311	131,037	278,809	243,990
<u>1,496,807</u>	<u>7,024,518</u>	<u>176,195</u>	<u>1,894,446</u>	<u>5,943,095</u>	<u>17,331,124</u>
<u>\$ 1,466,454</u>	<u>\$ 6,872,730</u>	<u>\$ 241,506</u>	<u>\$ 2,025,483</u>	<u>\$ 6,221,904</u>	<u>\$ 17,575,114</u>

(Continued)

CITY OF SAN CLEMENTE
Combining Statement of Cash Flows
Internal Service Funds (Continued)
For the Year Ended June 30, 2023

	Employee Benefits	Central Service
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (1,664)	\$ 48,029
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Depreciation/amortization expense	-	
Change in Assets and Liabilities:		
(Increase) decrease in accounts receivable	(8,615)	-
Increase (decrease) in accounts payable	-	(17,900)
Increase (decrease) in subscription based IT payable	-	
Increase (decrease) in accrued wages	(76,929)	(15)
Increase (decrease) in Net OPEB liability	-	-
Increase (decrease) in compensated absences	-	
Increase (decrease) in claims and judgments payable	-	-
Total Adjustments	(85,544)	(17,915)
Net Cash Provided by (Used for) Operating Activities	\$ (87,208)	\$ 30,114
Noncash investing, capital, and financing activities:		
Unrealized gain (loss) on investments	\$ -	\$ (4,338)

Information Technology	Fleet Maintenance	Self-Insurance			Totals
		Employee Medical	Workers' Compensation	General Liability	
\$ 106,157	\$ (12,049)	\$ (168,258)	\$ 247,686	\$ (239,520)	\$ (19,619)
401,580	418,140	-	-	-	819,720
-	-	(1,271)	-	6,810	(3,076)
4,695	(1,672)	(1,085)	(470)	(216,745)	(233,177)
559,202	-	-	-	-	559,202
(9,592)	-	-	-	(1,999)	(88,535)
-	-	(390,765)	-	-	(390,765)
3,947	-	-	-	2,794	6,741
-	-	628,913	(128,273)	696,997	1,197,637
959,832	416,468	235,792	(128,743)	487,857	1,867,747
<u>\$ 1,065,989</u>	<u>\$ 404,419</u>	<u>\$ 67,534</u>	<u>\$ 118,943</u>	<u>\$ 248,337</u>	<u>\$ 1,848,128</u>
\$ (15,405)	\$ (53,649)	\$ (3,786)	\$ (20,540)	\$ (59,767)	\$ (157,486)

(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, 2023

	99-1 CFD Collection	2006-1 CFD Marblehead Collection	Reassessment District 2016-1 Collection
Assets:			
Cash and investments	\$ 313,426	\$ 2,250,243	\$ 907,577
Cash and investments with fiscal agents	294,349	8,044,896	496,059
Taxes receivable	28	77,261	11,254
Accounts receivable	-	-	-
Accrued interest receivable	1,501	10,776	4,346
	<u>609,304</u>	<u>10,383,176</u>	<u>1,419,236</u>
Total Assets			
Liabilities:			
Accounts payable	875	-	750
Accrued wages	-	-	-
Payable to other entities	-	-	-
Due to bondholders	608,429	10,383,176	1,418,486
	<u>609,304</u>	<u>10,383,176</u>	<u>1,419,236</u>
Total Liabilities			
Net Position			
Restricted - others	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Coastal Animal Services Authority	Totals
\$ 712,546	\$ 4,183,792
-	8,835,304
-	88,543
31,262	31,262
-	16,623
<u>743,808</u>	<u>\$ 13,155,524</u>
37,887	39,512
14,878	14,878
341,603	341,603
-	12,410,091
<u>394,368</u>	<u>12,806,084</u>
<u>349,440</u>	<u>349,440</u>
<u>\$ 349,440</u>	<u>\$ 349,440</u>

CITY OF SAN CLEMENTE
Combining Statement of Activities
Fiduciary Funds - Other Custodial Funds
June 30, 2023

	99-1 CFD Collection	2006-1 CFD Marblehead Collection	Reassessment District 2016-1 Collection
Additions:			
Property tax collections	\$ 366,963	\$ 3,192,810	\$ 924,380
Investment income	105	275,739	19,206
Contribution from governments	-	-	-
License and fees collected	-	-	-
Donations	-	-	-
Miscellaneous	-	-	-
Total Additions	<u>367,068</u>	<u>3,468,549</u>	<u>943,586</u>
Deductions:			
Payments due to bondholders	355,391	3,322,373	930,204
Salaries and benefits	-	-	-
Materials and supplies	-	-	-
Other contractual costs	11,677	146,176	13,382
Payments to other entities	-	-	-
Total Deductions	<u>367,068</u>	<u>3,468,549</u>	<u>943,586</u>
Change in net position	-	-	-
Net Position - July 1	574,338	10,046,203	1,392,132
Restatement at July 1	<u>(574,338)</u>	<u>(10,046,203)</u>	<u>(1,392,132)</u>
Net Position - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Coastal Animal Services Authority	Totals
\$ -	\$ 4,484,153
-	295,050
1,413,250	1,413,250
235,583	235,583
145,930	145,930
32,382	32,382
<u>1,827,145</u>	<u>6,606,348</u>
-	4,607,968
862,082	862,082
32,586	32,586
720,155	891,390
345,590	345,590
<u>1,960,413</u>	<u>6,739,616</u>
(133,268)	(133,268)
482,708	12,495,381
-	(12,012,673)
<u>\$ 349,440</u>	<u>\$ 349,440</u>



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>	174
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	182
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>	188
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>	194
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>	196

CITY OF SAN CLEMENTE

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 184,058,187	\$ 201,351,891	\$ 205,339,450	\$ 223,978,174
Restricted	57,569,626	44,901,878	47,600,483	47,171,145
Unrestricted	37,285,652	18,847,703	21,772,655	23,088,837
Total governmental activities net position	\$ 278,913,465	\$ 265,101,472	\$ 274,712,588	\$ 294,238,156
Business-type activities				
Net investment in capital assets	\$ 159,890,481	\$ 154,510,084	\$ 153,436,537	\$ 156,462,970
Restricted	6,738,924	10,732,930	10,180,595	9,762,504
Unrestricted	38,291,531	37,944,233	41,377,385	35,642,252
Total business-type activities net position	\$ 204,920,936	\$ 203,187,247	\$ 204,994,517	\$ 201,867,726
Primary Government				
Net investment in capital assets	\$ 343,948,668	\$ 355,988,336	\$ 358,775,987	\$ 380,441,144
Restricted	64,308,550	55,634,808	57,781,078	56,933,649
Unrestricted	75,577,183	56,665,575	63,150,040	58,731,089
Total primary government net position	\$ 483,834,401	\$ 468,288,719	\$ 479,707,105	\$ 496,105,882

Source: City of San Clemente

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 222,799,987	\$ 219,771,204	\$ 220,087,709	\$ 218,669,873	\$ 217,194,366	\$ 212,659,357
47,048,005	47,294,020	47,685,507	42,602,327	39,814,572	41,108,869
23,633,735	29,391,740	22,812,106	26,007,004	31,746,402	35,085,461
<u>\$ 293,481,727</u>	<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>
\$ 156,608,320	\$ 154,657,313	\$ 152,775,813	\$ 150,986,146	\$ 149,279,997	\$ 150,502,118
10,177,637	10,439,505	11,841,484	11,577,417	11,205,591	6,205,657
34,219,326	37,427,488	40,500,331	40,562,849	42,865,961	47,377,136
<u>\$ 201,005,283</u>	<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>
\$ 379,408,307	\$ 374,428,517	\$ 372,863,522	\$ 369,656,019	\$ 366,474,363	\$ 363,161,475
57,225,642	57,733,525	59,526,991	54,179,744	51,020,163	47,314,526
57,853,061	66,819,228	63,312,437	66,569,853	74,612,363	82,462,597
<u>\$ 494,487,010</u>	<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>

CITY OF SAN CLEMENTE

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2014	2015	2016
Expenses			
Governmental activities:			
General government	\$ 5,949,601	\$ 6,368,117	\$ 6,121,431
Police	12,838,046	12,743,914	12,366,392
Fire	7,885,566	8,148,750	8,914,593
Public works	17,118,629	10,529,453	16,568,456
Community development	6,258,785	16,481,854	5,802,124
Beaches, parks & recreation	14,159,882	14,026,927	9,295,623
Interest and fiscal charges	137,661	127,508	118,421
Total governmental activities expenses	<u>64,348,170</u>	<u>68,426,523</u>	<u>59,187,040</u>
Business-type activities:			
Water	18,199,173	19,582,215	18,092,980
Sewer	10,754,071	11,379,835	11,727,190
Golf	2,169,419	2,123,894	2,113,187
Non-major activities	1,785,248	1,926,412	1,797,162
Total business-type activities expenses	<u>32,907,911</u>	<u>35,012,356</u>	<u>33,730,519</u>
Total primary government expenses	<u>97,256,081</u>	<u>103,438,879</u>	<u>92,917,559</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	408,238	750,760	944,933
Police	777,499	772,733	641,074
Fire	697,683	1,096,348	1,266,510
Public works	1,514,742	1,714,658	1,067,956
Community development	2,256,562	2,589,286	2,891,114
Beaches, parks & recreation	3,481,050	3,446,630	3,832,390
Operating grants and contributions	4,213,191	3,355,485	5,058,133
Capital grants and contributions	7,579,481	19,527,260	7,119,635
Total governmental activities program revenues	<u>20,928,446</u>	<u>33,253,160</u>	<u>22,821,745</u>
Business-type activities:			
Charges for services:			
Water	21,338,919	20,564,951	18,231,654
Sewer	10,284,887	10,308,250	10,686,769
Golf	2,292,262	2,319,582	2,236,018
Other	2,296,222	2,765,093	2,821,254
Operating grants and contributions	17,121	-	17,298
Capital grants and contributions	2,478,027	787,143	1,156,583
Total business-type activities program revenues	<u>38,707,438</u>	<u>36,745,019</u>	<u>35,149,576</u>
Total primary government program revenues	<u>59,635,884</u>	<u>69,998,179</u>	<u>57,971,321</u>
Net (expense)/revenue:			
Governmental activities	(43,419,724)	(35,173,363)	(36,365,295)
Business-type activities	5,799,527	1,732,663	1,419,057
Total primary government net expense	<u>\$ (37,620,197)</u>	<u>\$ (33,440,700)</u>	<u>\$ (34,946,238)</u>

		Fiscal Year											
		2017	2018	2019	2020	2021	2022	2023					
\$	7,158,985	\$	8,602,034	\$	8,638,794	\$	7,831,304	\$	7,451,563	\$	8,484,672	\$	9,155,337
	14,722,453		15,026,061		15,816,595		17,882,872		17,593,540		19,352,760		19,183,129
	10,098,953		9,385,402		10,294,194		11,658,767		12,195,715		12,730,215		12,713,458
	18,795,135		20,680,433		21,390,909		24,715,042		22,810,969		23,416,298		28,518,102
	6,120,224		6,247,084		5,891,062		6,951,570		7,018,388		5,928,432		6,915,744
	9,299,173		10,708,326		10,179,695		10,641,892		9,710,744		10,856,180		10,867,814
	392,285		4,959		3,663		2,371		1,125		90		15,353
	<u>66,587,208</u>		<u>70,654,299</u>		<u>72,214,912</u>		<u>79,683,818</u>		<u>76,782,044</u>		<u>80,768,647</u>		<u>87,368,937</u>
	17,944,864		20,571,400		19,430,379		20,193,508		23,374,090		21,838,911		21,256,922
	16,124,175		13,297,015		14,070,190		13,915,885		13,963,910		14,303,104		18,333,276
	2,058,702		2,407,448		2,104,304		2,357,453		2,278,475		2,520,693		2,816,260
	1,787,867		2,395,488		2,061,718		1,993,488		2,364,013		2,013,130		1,536,945
	<u>37,915,608</u>		<u>38,671,351</u>		<u>37,666,591</u>		<u>38,460,334</u>		<u>41,980,488</u>		<u>40,675,838</u>		<u>43,943,403</u>
	<u>104,502,816</u>		<u>109,325,650</u>		<u>109,881,503</u>		<u>118,144,152</u>		<u>118,762,532</u>		<u>121,444,485</u>		<u>131,312,340</u>
	430,676		459,817		459,192		452,257		422,410		519,316		510,873
	601,355		492,692		531,818		431,382		373,917		561,380		559,912
	1,467,867		1,339,525		1,462,039		1,296,731		1,779,627		2,061,839		2,048,280
	1,261,103		1,379,539		1,498,848		1,296,930		1,512,410		1,633,471		1,680,700
	2,426,953		3,203,357		2,785,652		2,441,996		2,311,433		2,772,417		2,711,497
	4,205,277		5,057,789		4,749,332		3,571,226		3,082,213		4,759,314		5,012,615
	3,187,026		2,115,847		4,257,867		7,442,928		6,684,937		8,537,155		11,521,378
	<u>23,318,080</u>		<u>6,611,844</u>		<u>4,121,736</u>		<u>2,082,076</u>		<u>301,329</u>		<u>442,481</u>		<u>756,594</u>
	<u>36,898,337</u>		<u>20,660,410</u>		<u>19,866,484</u>		<u>19,015,526</u>		<u>16,468,276</u>		<u>21,287,373</u>		<u>24,801,849</u>
	18,207,039		21,333,272		21,257,248		23,472,031		25,827,905		26,409,506		24,188,285
	9,976,298		10,333,756		10,984,033		10,823,688		10,923,878		11,120,923		11,104,825
	2,162,780		2,325,817		2,300,476		1,962,160		2,682,490		3,446,198		3,483,977
	2,767,285		2,849,666		2,814,852		2,766,477		433,446		577,863		311,883
	16,798		16,777		32,973		16,296		16,145		458,398		350,195
	<u>1,677,633</u>		<u>702,674</u>		<u>283,230</u>		<u>464,594</u>		<u>307</u>		<u>445,780</u>		<u>3,744,117</u>
	<u>34,807,833</u>		<u>37,561,962</u>		<u>37,672,812</u>		<u>39,505,246</u>		<u>39,884,171</u>		<u>42,458,668</u>		<u>43,183,282</u>
	<u>71,706,170</u>		<u>58,222,372</u>		<u>57,539,296</u>		<u>58,520,772</u>		<u>56,352,447</u>		<u>63,746,041</u>		<u>67,985,131</u>
	(29,688,871)		(49,993,889)		(52,348,428)		(60,668,292)		(60,313,768)		(59,481,274)		(62,567,088)
	(3,107,775)		(1,109,389)		6,221		1,044,912		(2,096,317)		1,782,830		(760,121)
\$	<u>(32,796,646)</u>	\$	<u>(51,103,278)</u>	\$	<u>(52,342,207)</u>	\$	<u>(59,623,380)</u>	\$	<u>(62,410,085)</u>	\$	<u>(57,698,444)</u>	\$	<u>(63,327,209)</u>

(Continued)

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

	Fiscal Year		
	2014	2015	2016
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 25,938,562	\$ 27,574,540	\$ 29,588,442
Sales taxes	5,907,313	6,161,540	8,471,708
Sales taxes - in lieu	2,130,322	2,108,680	593,774
Transient occupancy taxes	1,781,354	2,220,437	2,332,712
Franchise taxes	2,280,321	2,402,021	2,420,553
Other taxes	1,066,122	1,109,944	1,297,956
Investment earnings	2,533,185	1,019,290	915,646
Miscellaneous	26,662	156,497	132,510
Dissolution of the redevelopment agency	-	-	-
Transfers	93,722	346,834	223,110
Total governmental activities	<u>41,757,563</u>	<u>43,099,783</u>	<u>45,976,411</u>
Business-type activities:			
Investment earnings	216,206	289,571	611,323
Gain (Loss) on sale of capital assets	-	-	-
Miscellaneous	-	-	-
Transfers	(93,722)	(346,834)	(223,110)
Total business-type activities	<u>122,484</u>	<u>(57,263)</u>	<u>388,213</u>
Total primary government	<u>\$ 41,880,047</u>	<u>\$ 43,042,520</u>	<u>\$ 46,364,624</u>
Change in Net Position			
Governmental activities	(1,662,161)	7,926,420	9,611,116
Business-type activities	5,922,011	1,675,400	1,807,270
Total primary government	<u>\$ 4,259,850</u>	<u>\$ 9,601,820</u>	<u>\$ 11,418,386</u>

Source: City of San Clemente

		Fiscal Year						
		2017	2018	2019	2020	2021	2022	2023
\$	31,038,475	\$ 32,766,143	\$ 34,522,402	\$ 35,975,019	\$ 38,043,798	\$ 39,881,644	\$ 42,353,489	
	9,526,134	9,637,366	10,582,298	9,951,359	12,101,085	13,373,313	12,608,182	
	-	-	-	-	-	-	-	
	2,798,585	2,805,716	2,630,519	2,162,560	2,306,752	3,491,826	3,342,858	
	2,559,189	2,612,101	2,675,367	2,666,585	2,595,173	2,611,778	2,686,877	
	1,284,469	1,356,260	1,450,353	1,365,759	1,314,230	1,340,037	1,436,753	
	1,119,283	292,346	1,915,078	2,231,220	460,119	(1,921,743)	866,204	
	709,834	37,584	127,908	33,030	130,733	1,717,989	134,423	
	-	-	-	-	-	-	-	
	178,470	307,893	266,740	411,118	55,760	67,637	(872,743)	
	<u>49,214,439</u>	<u>49,815,409</u>	<u>54,170,665</u>	<u>54,796,650</u>	<u>57,007,650</u>	<u>60,562,481</u>	<u>62,556,043</u>	
	159,454	296,909	1,779,542	1,959,528	156,245	(1,495,491)	585,057	
	-	546,558	-	-	-	-	-	
	-	-	-	-	4,616	-	-	
	<u>(178,470)</u>	<u>(307,893)</u>	<u>(266,740)</u>	<u>(411,118)</u>	<u>(55,760)</u>	<u>(67,637)</u>	<u>872,743</u>	
	<u>(19,016)</u>	<u>535,574</u>	<u>1,512,802</u>	<u>1,548,410</u>	<u>105,101</u>	<u>(1,563,128)</u>	<u>1,457,800</u>	
\$	<u>49,195,423</u>	<u>\$ 50,350,983</u>	<u>\$ 55,683,467</u>	<u>\$ 56,345,060</u>	<u>\$ 57,112,751</u>	<u>\$ 58,999,353</u>	<u>\$ 64,013,843</u>	
	19,525,568	(178,480)	1,822,237	(5,871,642)	(3,306,118)	1,081,207	(11,045)	
	<u>(3,126,791)</u>	<u>(573,815)</u>	<u>1,519,023</u>	<u>2,593,322</u>	<u>(1,991,216)</u>	<u>219,702</u>	<u>697,679</u>	
\$	<u>16,398,777</u>	<u>\$ (752,295)</u>	<u>\$ 3,341,260</u>	<u>\$ (3,278,320)</u>	<u>\$ (5,297,334)</u>	<u>\$ 1,300,909</u>	<u>\$ 686,634</u>	

(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
2013-2014	\$ 25,943,613	\$ 7,932,300	\$ 1,781,354	\$ 2,341,247	\$ 829,504	\$ 38,828,018
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

Note:

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

In FY 2009-2010, the State of California borrowed \$2.2 million of property taxes, which was paid back by the State of California in FY 2012-2013.

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
2013-2014	\$ 25,938,562	\$ 8,037,635	\$ 1,781,354	\$ 2,280,321	\$ 1,036,949	\$ 29,173	\$ 39,103,994
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

Note:

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

Source: City of San Clemente

CITY OF SAN CLEMENTE

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable	\$ 2,006,484	\$ 1,915,086	\$ 1,653,502	\$ 2,509,597
Committed	16,751,483	19,081,173	16,263,527	14,016,387
Assigned	7,225,178	4,015,657	9,070,803	9,418,192
Unassigned	3,850,648	4,673,038	1,648,449	4,421,779
Total general fund	<u>\$ 29,833,793</u>	<u>\$ 29,684,954</u>	<u>\$ 28,636,281</u>	<u>\$ 30,365,955</u>
All other governmental funds				
Nonspendable	\$ 1,671,798	\$ 9,933,254	\$ -	\$ -
Restricted	41,112,201	34,945,212	49,053,639	47,062,622
Committed	59,265	48,563	23,705	96,053
Assigned	4,438,029	4,337,695	4,374,003	7,214,689
Unassigned	5,956,604	(32,142)	-	-
Total all other governmental funds	<u>\$ 53,237,897</u>	<u>\$ 49,232,582</u>	<u>\$ 53,451,347</u>	<u>\$ 54,373,364</u>

Source: City of San Clemente

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 2,233,368	\$ 1,957,463	\$ 1,652,286	\$ 1,603,801	\$ 1,266,678	\$ 921,302
14,420,443	14,752,106	15,120,471	14,352,782	15,743,300	16,627,497
10,083,367	7,453,364	5,070,539	5,425,208	9,696,530	10,593,733
3,189,426	6,342,563	4,347,631	6,750,683	4,860,083	3,496,324
<u>\$ 29,926,604</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46,893,147	47,087,058	47,502,901	42,334,984	39,309,332	40,200,940
91,580	26,751	99,190	291,272	227,354	558,246
10,149,083	13,797,271	13,809,566	15,089,787	15,391,248	15,582,000
-	(162,402)	(44,100)	-	(363,144)	(924,667)
<u>\$ 57,133,810</u>	<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>

CITY OF SAN CLEMENTE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 38,828,018	\$ 41,169,421	\$ 44,171,716	\$ 47,499,452
Licenses and permits	1,534,484	1,787,045	1,945,118	1,679,051
Fines and forfeits	690,083	673,346	596,246	533,413
Interest and rentals	2,778,297	2,267,203	3,091,081	3,083,044
Intergovernmental	4,116,782	4,595,852	4,436,712	4,312,721
Charges for services	5,722,098	7,384,801	7,434,014	6,812,143
Developers fees	6,571,642	920,591	1,150,197	917,738
Other	451,993	346,524	1,495,784	1,903,481
Total revenues	<u>60,693,397</u>	<u>59,144,783</u>	<u>64,320,868</u>	<u>66,741,043</u>
Expenditures				
General government	5,366,069	6,116,994	7,400,704	7,390,332
Police	12,820,497	13,139,840	12,282,853	13,969,172
Fire	7,658,531	8,170,808	8,687,558	8,974,200
Public works	11,986,832	6,401,382	10,761,232	11,137,408
Community development	6,203,011	16,327,068	5,390,017	5,745,947
Beaches, parks and recreation	10,695,841	11,658,520	6,214,570	6,093,381
Capital outlay	6,622,108	8,951,082	9,411,552	8,767,026
Debt service:				
Property tax shift	-	-	-	-
Principal retirements	105,000	115,000	125,000	1,215,000
Interest and fiscal charges	132,608	123,678	116,400	388,028
Total expenditures	<u>61,590,497</u>	<u>71,004,372</u>	<u>60,389,886</u>	<u>63,680,494</u>
Excess of revenues over (under) expenditures	(897,100)	(11,859,589)	3,930,982	3,060,549
Other financing sources (uses)				
Transfers in	1,763,604	2,591,784	3,841,952	6,277,187
Transfers out	(2,119,882)	(3,033,950)	(4,602,842)	(6,686,045)
Total other financing sources (uses)	<u>(356,278)</u>	<u>(442,166)</u>	<u>(760,890)</u>	<u>(408,858)</u>
Redevelopment agency dissolution	-	-	-	-
Net change in fund balances	<u>\$ (1,253,378)</u>	<u>\$ (12,301,755)</u>	<u>\$ 3,170,092</u>	<u>\$ 2,651,691</u>
Debt service as a percentage of noncapital expenditures	0%	0%	0%	3%

Source: City of San Clemente

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 49,166,053	\$ 51,712,409	\$ 52,007,189	\$ 56,189,132	\$ 60,251,474	\$ 62,239,927	
2,050,638	1,838,700	1,490,050	1,424,420	1,750,205	1,783,903	
537,137	499,151	368,221	347,142	676,470	521,002	
3,583,220	5,625,317	5,247,225	2,440,552	564,193	3,812,974	
4,996,307	6,253,060	6,385,292	6,439,583	9,003,330	10,657,369	
7,302,530	7,113,418	6,042,013	6,514,812	7,994,321	8,062,444	
1,292,719	533,088	765,529	232,525	691,606	554,739	
177,870	232,310	531,784	244,429	1,814,839	435,044	
<u>69,106,474</u>	<u>73,807,453</u>	<u>72,837,303</u>	<u>73,832,595</u>	<u>82,746,438</u>	<u>88,067,402</u>	
8,568,506	9,169,504	7,692,317	7,315,232	8,075,644	8,661,083	
14,820,377	15,819,412	17,730,311	17,702,785	20,429,130	21,180,144	
9,293,075	10,094,718	11,338,546	12,052,309	13,380,161	14,207,277	
12,571,097	13,926,621	15,851,923	15,173,258	15,923,413	17,071,378	
5,169,651	5,623,819	5,943,889	6,508,849	6,030,963	6,558,062	
6,606,598	6,682,913	6,773,454	6,006,094	7,219,471	7,424,095	
9,763,968	8,563,446	11,863,671	10,839,795	11,867,358	11,168,626	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>66,793,272</u>	<u>69,880,433</u>	<u>77,194,111</u>	<u>75,598,322</u>	<u>82,926,140</u>	<u>86,270,665</u>	
2,313,202	3,927,020	(4,356,808)	(1,765,727)	(179,702)	1,796,737	
5,881,091	6,728,848	3,912,936	3,159,678	13,486,983	3,542,776	
(5,873,198)	(6,462,108)	(3,251,818)	(3,103,918)	(13,419,346)	(4,415,519)	
<u>7,893</u>	<u>266,740</u>	<u>661,118</u>	<u>55,760</u>	<u>67,637</u>	<u>(872,743)</u>	
-	-	-	-	-	-	
<u>\$ 2,321,095</u>	<u>\$ 4,193,760</u>	<u>\$ (3,695,690)</u>	<u>\$ (1,709,967)</u>	<u>\$ (112,065)</u>	<u>\$ 923,994</u>	
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		
2013 - 2014	\$ 12,547,787,645	\$ 200,734,451	\$ 12,748,522,096	1.00%
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%

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.

Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Taxable Actual Value
\$ 18,175,939,699	143%
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%

CITY OF SAN CLEMENTE

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

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Metropolitan Water District	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035
Capistrano Unified School District (various issues)	0.0097	0.0090	0.0085	0.0084
Total Basic Tax Levy per Article 13A of California State Constitution	1.0000	1.0000	1.0000	1.0000
	<u>\$ 1.0132</u>	<u>\$ 1.0125</u>	<u>\$ 1.0120</u>	<u>\$ 1.0119</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					
2018	2019	2020	2021	2022	2023
\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035	\$ 0.0035
0.0080	0.0079	0.0075	0.0076	0.0073	0.0069
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<u>\$ 1.0115</u>	<u>\$ 1.0114</u>	<u>\$ 1.0110</u>	<u>\$ 1.0111</u>	<u>\$ 1.0108</u>	<u>\$ 1.0104</u>

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

Taxpayer	Type of Business	2023			2014		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Villa San Clemente LLC	Real Estate	\$ 168,196,941	1	0.82%	\$ 25,125,650	8	0.20%
TA Seacrest Apartments LLC	Real Estate	145,201,821	2	0.71%	-		
Trea Calle Del Cerro	Real Estate	97,234,015	3	0.47%	-		
Bre-FMCA LLC	Real Estate	69,244,444	4	0.34%	63,913,991	3	0.50%
Centro Watt Operating Owner I LLC	Real Estate	55,695,158	5	0.27%	50,667,479	5	0.40%
Talega Village Center LLC	Retail	46,495,500	6	0.23%	28,549,185	7	0.22%
BEX Portfolio Inc.	Real Estate	35,868,480	7	0.17%	-		
Christopher R Redlich Jr Trust	Real Estate	33,868,480	8	0.16%	-		
Target Corporation	Retail	29,867,285	9	0.15%	29,227,631	6	0.23%
Raymond Tacconlini Trust	Real Estate	26,512,839	10	0.13%	-		
Cox Communications Inc. Orange	Retail	-			22,760,506	10	0.18%
Won and Jay Inc.	Retail	-			23,020,160	9	0.18%
LV Marblehead LLC	Real Estate	-			152,999,854	1	1.19%
WNG San Clemente 368 LLC	Real Estate	-			97,158,539	2	0.76%
GS Whispering Winds LLC	Real Estate	-			57,344,727	4	0.45%
		<u>\$ 708,184,963</u>		<u>3.44%</u>	<u>\$ 550,767,722</u>		<u>4.29%</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
2013 - 2014	\$ 29,183,272	\$ 28,631,594	98.11%	\$ 400,661	\$ 29,032,255	99.48%	\$ 449,978	1.54%
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%

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	Total Primary Government	Percentage of Personal Income	Per Capita (1)
	Certificates of Participation	Leases	State Revolving Fund Loan			
2013 - 2014	\$ 1,455,000	\$ 88,094	\$ -	\$ 1,543,094	0.05%	24
2014 - 2015	1,340,000	57,273	14,494,395	15,891,668	0.52%	243
2015 - 2016	1,215,000	17,703	13,863,037	15,095,740	0.47%	228
2016 - 2017	-	148,979	13,267,421	13,416,400	0.40%	203
2017 - 2018	-	115,826	12,658,702	12,774,528	0.36%	195
2018 - 2019	-	81,377	12,036,591	12,117,968	0.32%	185
2019 - 2020	-	47,306	11,400,794	11,448,100	0.30%	177
2020 - 2021	-	12,040	10,751,008	10,763,048	0.26%	168
2021 - 2022	-	-	10,086,928	10,086,928	0.22%	159
2022 - 2023	-	-	9,408,238	9,408,238	0.17%	149

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

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		Totals	Coverage (3)
				Principal	Interest		
2013 - 2014	Not applicable			-	-	-	-
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

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, 2023

Assessed valuation was \$20,620,278,979 in FY 2022-23

	%	Debt
	<u>Applicable</u>	<u>June 30, 2023</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Metropolitan Water District	0.567%	\$ 108,949
Capistrano Unified School District School Facilities Improvement District No. 1	22.54%	2,261,967
Santa Margarita Water District CFD No. 99-1	100%	47,750,000
Capistrano Unified School District Community Facilities District No. 90-2	100%	52,905,000
City of San Clemente Communtiy Facilities District No. 99-1	100%	2,295,000
City of San Clemente Communtiy Facilities District No. 2006-1	100%	51,840,000
City of San Clemente 1915 Act Bonds	100%	5,095,000
TOTAL OVERLAPPING TAX AND ASSESSED DEBT		\$ 162,255,916
OVERLAPPING GENERAL FUND DEBT:		
<u>Overlapping:</u>		
Orange County General Fund Obligations	2.845%	12,835,644
Orange County Board of Education Certificates of Participation	2.845%	308,967
Capistrano Unified School District Certificates of Participation	18.982%	4,054,555
<u>Direct (1):</u>		
City of San Clemente Certificates of Participation	100%	-
City of San Clemente Capital Leases	100%	-
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 17,199,166
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 179,455,082
TOTAL CITY DIRECT DEBT (1)		\$ -
TOTAL OVERLAPPING DEBT		\$ 179,455,082
COMBINED DIRECT AND OVERLAPPING DEBT		\$ 179,455,082

Notes:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assess property balue. 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 assets 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	0.79%
Total Direct Debt	0.00%
Combined Total Debt	0.87%

Source: California Municipal Statistics



CITY OF SAN CLEMENTE

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Assessed valuation	\$ 12,748,522,096	\$ 13,582,964,739	\$ 13,666,850,501	\$ 14,447,433,531
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	3,187,130,524	3,395,741,185	3,416,712,625	3,611,858,383
Debt limit percentage	15%	15%	15%	15%
Debt limit	478,069,579	509,361,178	512,506,894	541,778,757
Total net debt applicable to limit	-			
Legal debt margin	<u>\$ 478,069,579</u>	<u>\$ 509,361,178</u>	<u>\$ 512,506,894</u>	<u>\$ 541,778,757</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					
2018	2019	2020	2021	2022	2023
\$ 14,761,937,790	\$ 15,269,877,772	\$ 17,247,120,887	\$ 18,150,006,382	\$ 18,559,898,391	\$ 19,328,327,834
25%	25%	25%	25%	25%	25%
3,690,484,448	3,817,469,443	4,311,780,222	4,537,501,596	4,639,974,598	4,832,081,959
15%	15%	15%	15%	15%	15%
553,572,667	572,620,416	646,767,033	680,625,239	695,996,190	724,812,294
<u>\$ 553,572,667</u>	<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>
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)
2013 - 2014	64,874	\$ 3,068,865	\$ 47,305	40	96%	9,799	4.70%
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%

- 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	2023			2014		
	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Capistrano Unified School District (CUSD)	681	1	2.17%	599	1	2.03%
Fisherman's Restaurant	301	2	0.96%	224	4	0.76%
Albertsons	272	3	0.87%	197	5	0.67%
ICU Medical	256	4	0.82%	132	10	0.45%
Ralphs	229	5	0.73%	226	3	0.77%
Glaukos Corp	207	6	0.66%			
Target Retail Store	200	7	0.64%	154	8	0.52%
Walmart Superstore	195	8	0.62%	195	6	0.66%
City of San Clemente	178	9	0.57%	182	7	0.62%
Lowe's	155	10	0.49%	150	9	0.51%
Saddleback Memorial Medical Center				280	2	0.95%

"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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government	32	32	31	26	26	34	33	34	34	34
Public safety										
Police (contract)	54	52	50	50	50	52	53	53	54	54
Fire (contract)	42	50	50	42	45	39	39	39	39	39
Marine Safety	7	7	7	7	7	7	7	7	7	7
Community Development										
Engineering	20	20	21	21	19	17	16	15	15	15
Building	11	14	13	13	13	13	11	11	11	11
Code Compliance	5	5	5	5	6	6	6	7	9	10
Planning	11	10	10	9	10	10	11	11	11	11
Administration	2	2	3	4	4	4	3	3	3	3
Public Works	3	3	3	2	3	6	6	7	6	6
Maintenance	18	26	25	25	25	25	23	23	23	23
Beaches, Parks, and Recreation	27	19	18	18	19	19	19	18	18	18
Water	25	25	26	26	27	27	25	25	25	25
Sewer	19	19	19	20	21	21	20	19	20	20
Clean Ocean	3	3	3	3	3	3	3	3	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	9	10	9	9	9	9	10	10
Total	<u>292</u>	<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>

Source: City of San Clemente Budget



CITY OF SAN CLEMENTE

CAPITAL ASSET STATISTICS
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Public safety					
Police:					
Stations	1	1	1	1	1
Fire stations	3	3	3	3	3
Highways and streets					
Streets (miles)	136.00	137.00	137.00	138.00	138.00
Streetlights	3,433	3,503	3,615	3,654	3,705
Traffic signals	76	80	80	81	81
Beaches, parks and recreation					
Parks	20	21	25	22	23
Swimming pools	3	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	213.10	212.80	230.00
Fire hydrants	2,281	2,281	2,302	2,362	2,376
Maximum daily capacity (Acre Feet)*	263.92	263.92	263.92	263.92	263.92
Sewer					
Sanitary sewers (miles)	154.00	154.00	163.70	171.80	180.00
Storm sewers (miles)	62.50	62.50	62.50	77.00	77.00
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					
2019	2020	2021	2022	2023	
1	1	1	1	1	1
3	3	3	3	3	3
138.00	138.00	138.00	138.00	138.00	138.00
3,712	3,712	3,712	3,712	3,712	3,712
81	81	81	81	81	82
23	23	23	23	23	23
4	4	4	4	4	4
-	-	-	-	-	-
1	1	1	1	1	1
1	1	1	1	1	1
230.00	230.00	230.00	230.00	230.00	230.00
2,391	2,397	2,419	2,419	2,419	2,449
263.92	263.92	263.92	263.92	263.92	263.92
180.00	180.00	180.00	180.00	180.00	162.00
78.00	77.00	77.00	81.00	81.00	79.00
6,976	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				
	2014	2015	2016	2017	2018
Police					
Number of calls for service	23,729	26,217	28,089	31,632	30,515
Number of traffic collision reports	371	377	354	321	472
Parking citations issued	13,698	15,231	14,012	7,735	12,250
Fire					
Number of fire calls	44	71	83	69	78
Number of emergency medical calls	2,175	3,317	3,559	3,846	3,825
Inspections	899	1,256	1,702	1,332	1,782
Highways and streets					
Street resurfacing (miles)	4.29	5.31	3.87	3.48	9.02
Beaches, parks and recreation					
Number of recreation classes, activities, and clinics	482	493	522	609	2,320
Total experiences in classes, activities, and clinics	111,219	173,175	146,196	144,206	17,259
Total number of facility rentals	1,068	1,087	1,051	1,159	7,971
Golf rounds played	84,838	80,091	78,768	77,974	82,514
Water					
New customers	11	33	206	82	107
Average daily consumption (Acre Feet) ***	28.52	25.51	21.08	22.59	24.59
Sewer					
New customers	9	26	179	81	104
Average daily sewage treatment (thousands of gallons)	3,787	3,441	3,192	3,063	3,284

*** 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				
2019	2020	2021	2022	2023
31,081	28,207	11,003	23,844	25,964
809	243	123	324	354
11,384	8,854	6,944	9,586	7,239
53	78	153	168	156
3,246	3,559	4,446	4,921	5,001
1,386	842	1,610	1,459	1,443
7.20	17.49	10.81	31.16	24.83
3,446	6,110	4,145	3,289	2,811
25,553	21,913	23,566	30,441	23,586
11,246	19,219	7,959	15,977	20,384 ****
80,567	70,410	44,286	97,847	94,585
38	37	22	7	23
19.37	19.67	20.40	20.36	17.90
37	37	17	7	23
3,693	3,785	3,780	3,550	3,566

