

# CITY OF DANA POINT

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024



Jamey Federico, Mayor  
Matthew Pagano, Mayor Pro Tem  
John Gabbard, Council Member  
Mike Frost, Council Member  
Michael Villar, Council Member  
Michael A. Killebrew, City Manager

Prepared by:  
Department of Administrative Services

CITY OF DANA POINT, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

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Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

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## INTRODUCTORY SECTION



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November 19, 2024

To the Mayor, City Council, and Citizens of the City of Dana Point:

The Annual Comprehensive Financial Report (ACFR) of the City of Dana Point ("City") for the fiscal year ended June 30, 2024, is submitted herewith. The Department of Administrative Services prepared this report. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. This document reflects the City's commitment to the highest levels of financial reporting by using a reporting format which meets the standards adopted by the Governmental Accounting Standards Board (GASB), which is recognized as the authoritative body for the promulgation of standards of financial accounting and reporting for activities and transactions of state and local governments. We believe that the data provided in this report is accurate in all material respects and is presented in a manner designed to fairly reflect the financial position and results of operations of the City. In addition, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting control systems. The objectives of the City's internal accounting control systems are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and to ensure that transactions are properly recorded to permit the preparation of financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and that estimates and judgments are required to be made by management in evaluating these costs and benefits.

It is the policy of the City to have an audit performed annually by an independent certified public accountant. The independent audit of the June 30, 2024 financial statements was performed by Lance, Soll & Lunghard, LLP (LSL). The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are free of material misstatement. LSL concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Dana Point's financial statements for the year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **PROFILE OF THE CITY**

Dana Point is a city covering approximately 6.7 square miles. Located on the southern coast of Orange County, California, the city has a population of around 32,567. It is named after author Richard Henry Dana (1815–1882), who documented his experiences on an 1830s sea voyage from Boston to California in his novel *Two Years Before the Mast*.

Geographically, Dana Point consists of several unique micro-communities. The southern part of the city is the Capistrano Beach community, primarily a residential area with limited commercial and retail development. Adjacent and west of Capistrano Beach is Doheny Village, a mixed-use area with a combination of commercial and retail businesses as well as multi-family residential housing. The Dana Point Harbor, although within city

*Harboring the Good Life*

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boundaries, is administered by the County of Orange and features small-craft moorings, a commercial fishing fleet, a hotel, shopping, and various restaurants. North of the harbor lies the Lantern District, a mixed-use area with multi-family residential, commercial, and retail businesses serving both residents and visitors; this area extends along Pacific Coast Highway ("PCH") and Del Prado Street, from Copper Lantern Street to Blue Lantern Street. Additionally, two primarily residential areas—Lantern Village and Dana Hills—are located just north of the Lantern District. Toward the city's northwest edge is the Monarch Beach community, home to Dana Point's two largest hotels (the Ritz-Carlton and Waldorf Astoria Monarch Beach Resort), a golf course, and large, upscale residential developments.

The City of Dana Point was incorporated under the general laws of the State of California on January 1, 1989, and operates under a Council-Manager form of government. The City Council consists of five members, each representing one of five geographic districts, elected on a non-partisan basis to four-year terms. The mayor and mayor pro tem are honorary positions held by Council members for one-year terms.

Beginning with the City's first full year of operations on July 1, 1989, all municipal services previously provided by other entities became the City's direct responsibility and are now managed at the City's expense, either by in-house City staff or through contracts with private firms or the County. Today, the City functions partly as a "contract city," utilizing agreements with other governmental entities, private firms, and individuals to provide certain traditional municipal services to the community.

On December 22, 1993, pursuant to a resolution of the Orange County Local Agency Formation Commission ("LAFCO"), the Capistrano Bay Park and Recreation District (the "Park District") merged with the City of Dana Point. The merger resulted from the permanent reallocation by the State of California of 59% of the Park District's property tax revenue base. As a result of this revenue loss, the Park District ceased generating sufficient revenues to support its operations. At the recommendation of both the Dana Point City Council and the Park District's Board of Directors, LAFCO approved the merger of the two entities. In connection with the merger, the City agreed to assume the existing debt of the Park District, which at that time consisted of a \$5.9 million capital lease obligation. The City serviced that debt until its retirement in August of 2006.

Other governmental entities, such as the State of California, the County of Orange, the Orange County Fire Authority, as well as various water, sewer, school, and other districts, along with electric and gas utilities, provide services within Dana Point. These entities operate independently and are legally separate from the City.

Budgets are adopted biennially by the City Council and are prepared for each fund in accordance with its basis of accounting. As specified by City ordinance, the City Manager is responsible for preparing the budget and implementing it after adoption. All unencumbered budget appropriations lapse at year-end. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager may transfer appropriations between functions or activities within the same fund without Council approval, provided such changes do not have a significant policy impact or affect budgeted year-end fund balances.

## **LOCAL ECONOMY**

The City serves a significant number of visitors each year, many of whom are drawn by the small boat harbor, beaches, parks, golf course, resorts, and special events. Dana Point is home to two five-star resorts, one four-star resort, nine hotels and motels, and a 29-unit bed and breakfast inn, totaling 1,879 rooms. The City's coastal resources continue to attract visitors, supporting its visitor-oriented commercial and retail establishments.

The City is highly reliant upon the tourism industry, which is its principal revenue source. At approximately one-third of General Fund revenues, transient occupancy tax ("TOT") remains the City's largest revenue source. This ten percent tax is imposed upon visitors staying in lodging establishments (hotels) and short-term vacation rentals (residences) located in the city. The four largest resorts in the city account for over seventy percent of the available hotel rooms, are among the City's largest individual property taxpayers, some of its largest employers, and some of the leading sales tax generators. Moreover, their guests dine in area restaurants, shop in retail establishments, and enjoy recreational opportunities within the city. Altogether, it is estimated that the tourism industry, both directly and indirectly, contributes approximately half of the City's General Fund revenues.

Most existing businesses in Dana Point are oriented toward serving both visitors and residents. The City lacks major commercial hubs such as shopping malls, new car dealerships, or large franchise retailers. High property values, limited space availability, and parking requirements have contributed to restricted infill development for residential, commercial, and industrial purposes.

As shown in the table below, over the last five years, citywide assessed real property valuation as reported by the County of Orange Auditor/Controller's Office increased \$3.1 billion, or 23.3%.

Dana Point Assessed Property Values Last Five Fiscal Years (in thousands)				
2020	2021	2022	2023	2024
\$13,361,000	\$13,919,000	\$14,450,000	\$15,745,000	\$16,478,000

Dana Point's median single-family residential home sales price for FY24 was \$1,805,000, marking a 2.2% decrease compared to \$1,845,000 in the previous fiscal year. This decline was influenced by a combination of higher mortgage rates, shifts in demand, and increased inventory. While a slowdown in the housing market was anticipated at the national level, Dana Point's desirable location helped maintain relative stability. Historically, property values in Dana Point have consistently outpaced national levels and are projected to continue this trend, underscoring the area's lasting appeal.

## LONG-TERM FINANCIAL PLANNING

In 2018, the City Council adopted the Long-Term Financial Policy (Policy #229) to promote financial sustainability. This sustainability is defined as the City's capacity to maintain planned long-term service and infrastructure standards without resorting to unexpected rate hikes or significant service reductions. Under this policy, City staff are required to present an annual update on the Long-Term Financial Plan (LTFP) to the City Council. This update reviews revenue-expenditure comparisons and evaluates the effects of any surplus or deficit on the City's fund balances, ensuring compliance with minimum fund balance and reserve requirements. The current forecast extends through fiscal year 2030.

### Revenues

Dana Point's Transient Occupancy Tax (TOT), Property Tax, Sales Tax, and In-Lieu Property Tax together account for nearly 78% of all General Fund revenue. General Fund tax revenues for FY24 totaled \$43.4 million, a slight increase from \$43.1 million in FY23. This gain was primarily due to growth in Property Tax, In-Lieu Property Tax, and TOT, though it was offset by a decline in Sales Tax.

In FY24, the City's hospitality sector experienced slower growth, with TOT revenue totaling \$16.9 million, marking a modest increase of approximately 1.0% compared to the previous year. After a pandemic low of \$8.0 million in FY21, Dana Point saw significant rebounds in TOT revenue, with growth rates of around 91% in FY22 and 8.5% in FY23. This strong recovery was followed by normalized growth in FY24. The FY25 budget estimates TOT revenue at \$15.2 million, with much of the conservative projection attributed to expected renovations at one of the City's larger hotel properties, where half of the rooms will undergo updates in the latter half of the fiscal year. Looking ahead, the base outlook for existing hotels from FY26 through FY30 projects average annual revenue growth of 2.9%. Additionally, the forecast includes the expected opening of two new hotel properties during the final two years of this period, contributing to future revenue growth.

The General Fund's second-largest revenue source is property tax, which totaled \$11.5 million for FY24, accounting for approximately 22% of General Fund revenue. The City's taxable assessed value for FY24 increased by 4.4% from FY23, leading to a rise in secured and unsecured property tax receipts. This increase is primarily due to property transfers from previous years and the application of the maximum allowable 2% annual CPI adjustment to assessed values. Property tax collections for FY25 are projected to grow by 2.7%, with conservative average growth anticipated at 3.6% in the following years. Continued investment in Dana Point properties is expected, particularly with the Harbor revitalization plan. This multi-year construction project will see significant investment in refurbishing existing establishments, opening new restaurants and retail stores, and adding two hotels that will double the current number of available rooms in the harbor.

Sales tax is the third-largest revenue source for the City, with collections totaling \$6.8 million for FY24, which equated to 13% of General Fund revenue. Sales tax receipts declined by 5.9% in FY24 compared to the previous fiscal year. This reduction was anticipated due to the loss of a major sales tax producer early in the fiscal year. Similar to TOT projections, scheduled hotel renovations in the latter part of FY25 are also expected to impact sales tax receipts. The amended FY25 budget is projected at \$6.7 million.

Sales tax projections for FY26 through FY30 indicate modest growth of 3.5% per year during this period, reflecting broader trends in consumer spending and economic conditions in Southern California. Factors influencing these projections include changes in inflation, shifts in consumer behavior, and the ongoing impacts of revitalization efforts in the harbor area.

In-Lieu Property Tax is the City's fourth-largest revenue source for the General Fund, contributing 10.6% of total revenue in FY24. Projections for this revenue are tied to growth or decline in gross assessed property values. Based on the projected growth rate for property tax, In-Lieu Property Tax is estimated to be \$5.8 million in FY25 and \$6.0 million in FY26, with further annual growth averaging 4% thereafter.

### Expenditures

The average annual projected growth in General Fund operating expenditures through FY30 is approximately 3.1%. Police Services (mainly the Sheriff's Department contract), personnel costs (including unfunded pension liability payments), and Transfers to Other Funds (namely the Capital Improvements and Facilities Funds) combined make up two-thirds of the General Fund budget.

The City's largest expenditures are incurred for Police Services provided by the Orange County Sheriff's Department (OCSD), which are projected at \$15.4 million, or 25.9% of the General Fund's amended FY25 budget. The Police Services department is also the only department where expenses are conservatively projected to grow faster than revenues. Future cost estimates for the OCSD contract, based on the average increases over the past ten years, are based on a conservative 4.0% annual increase in the contract from FY26 to FY30.

Personnel costs for City Staff are \$11.7 million in the FY25 General Fund amended budget and represent 19.6% of adopted General Fund expenditures. Less than half of the City's workforce is represented by the Dana Point Employee Association ("DPEA"), which negotiates with the City for their labor related issues. The City completed labor negotiations in late 2023 which resulted in some additional compensation and City paid benefits in a new two-year Memorandum of Understanding (MOU). Several items in the updated MOU were extended to non-represented staff. The total increase in personnel costs associated with these updates in compensation and benefits is estimated at 3.4% in FY25. The LTFP shows the projected average annual increase from FY26 through FY30 between 3.0% and 4.0%.

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide its employees a pension through a cost-sharing, multiple-employer defined benefit plan. In addition to the required employer contribution, the City is obligated to make annual payments toward the plan's Unfunded Pension Liability. The Unfunded Pension Liability represents the gap between the future benefits a pension fund is expected to pay out and the assets currently in the pension fund.

As of the most recent CalPERS actuarial valuation report dated June 30, 2023, the City's combined unfunded pension liability was \$8.2 million, with a funded ratio of 87.1%. In July 2024, CalPERS reported a preliminary net investment return of 9.3% for the fiscal year ending June 30, 2024. This FY24 return will be reflected in the June 30, 2024, actuarial valuation reports, to be provided to member agencies in summer 2025. Early projections estimate the City's combined unfunded liability as of June 30, 2024, at \$5.7 million, with a funded status of 87%. This estimate, which may vary slightly upon final valuation, includes an additional payment of \$1.85 million toward the Classic plan's unfunded liability made in March 2024. This payment was part of a \$3.7 million set-aside authorized by the City Council in September 2023.

The amended Capital Improvement Projects (CIP) Fund budget for FY25 is \$23.5 million. Key projects include the Doheny Village Connectivity Improvements, Calle Real & Calle Portola Storm Drains, Stonehill Drive Improvements, and roadway slurry and resurfacing efforts. The FY25 budget also includes a \$7.0 million transfer from the General Fund. The LTFP for FY26 through FY30 projects an average annual General Fund contribution of approximately \$3.1 million.

## **MAJOR INITIATIVES**

The City Council updated the City's Strategic Plan in April 2022. The Plan establishes the City's Mission "to set the standard as a vibrant, world-class city" and outlines five Strategic Goals, each with its own underlying objectives.

### **Strategic Goal 1: Maintain and Ensure Public Safety**

#### Objectives:

- Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security
- Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances
- Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community
- Emergency preparedness and responsiveness so that the City is ready to respond to a disaster

### **Strategic Goal 2: Maintain and Improve Infrastructure and Environmental Sustainability**

#### Objectives:

- Maintain and improve streets and sidewalks for the safety of vehicles and pedestrians
- Maintain and improve community facilities, parks, and landscaping
- Enhance multi-modal and active transportation in the city
- Preserve natural resources to enhance a healthy and sustainable built and natural environment

### **Strategic Goal 3: Foster Economic Health and Prosperity**

#### Objectives:

- Effective and efficient zoning regulations for managing the City's land use
- Improve Planning, Building, and Engineering permitting process for an informative, helpful, and efficient process for applicants
- Effective and efficient business regulations that retain and attract businesses that support investment in our community to maintain a healthy business climate
- Assess potential for improvements to private infrastructure

### **Strategic Goal 4: Effective, Efficient, and Innovative City Administration**

#### Objectives:

- Engage with the community to provide consistent and quality service
- Enhance internal and external technology to provide digital access to services and information
- Maintain a balanced budget that adequately funds core services to be a fiscally sound city
- Recruit, develop, and retain quality staff for a knowledgeable and helpful workforce

### **Strategic Goal 5: Maintain and Enhance Dana Point's Unique Sense of Place**

#### Objectives:



- Honor Dana Point's unique culture, history, and local charm, which enhances quality of life and provides a positive cultural and memorable experience for residents and visitors

## **AWARDS AND ACKNOWLEDGEMENTS**

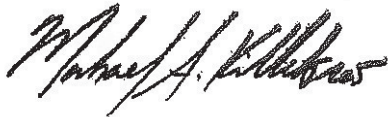
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City of Dana Point a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. This prestigious national award recognizes conformance with the highest standards in the preparation of state and local government financial reports.

To receive the Certificate of Achievement, a government entity must publish an easily readable and well-organized ACFR that meets program standards. The report must comply with generally accepted accounting principles (GAAP) and applicable legal requirements.

The Certificate of Achievement is valid for one year. The City of Dana Point has earned this recognition for the last thirty-four consecutive years (fiscal years 1989 through 2023). We believe that our current report continues to meet the program's requirements, and we are submitting it to the GFOA for review.

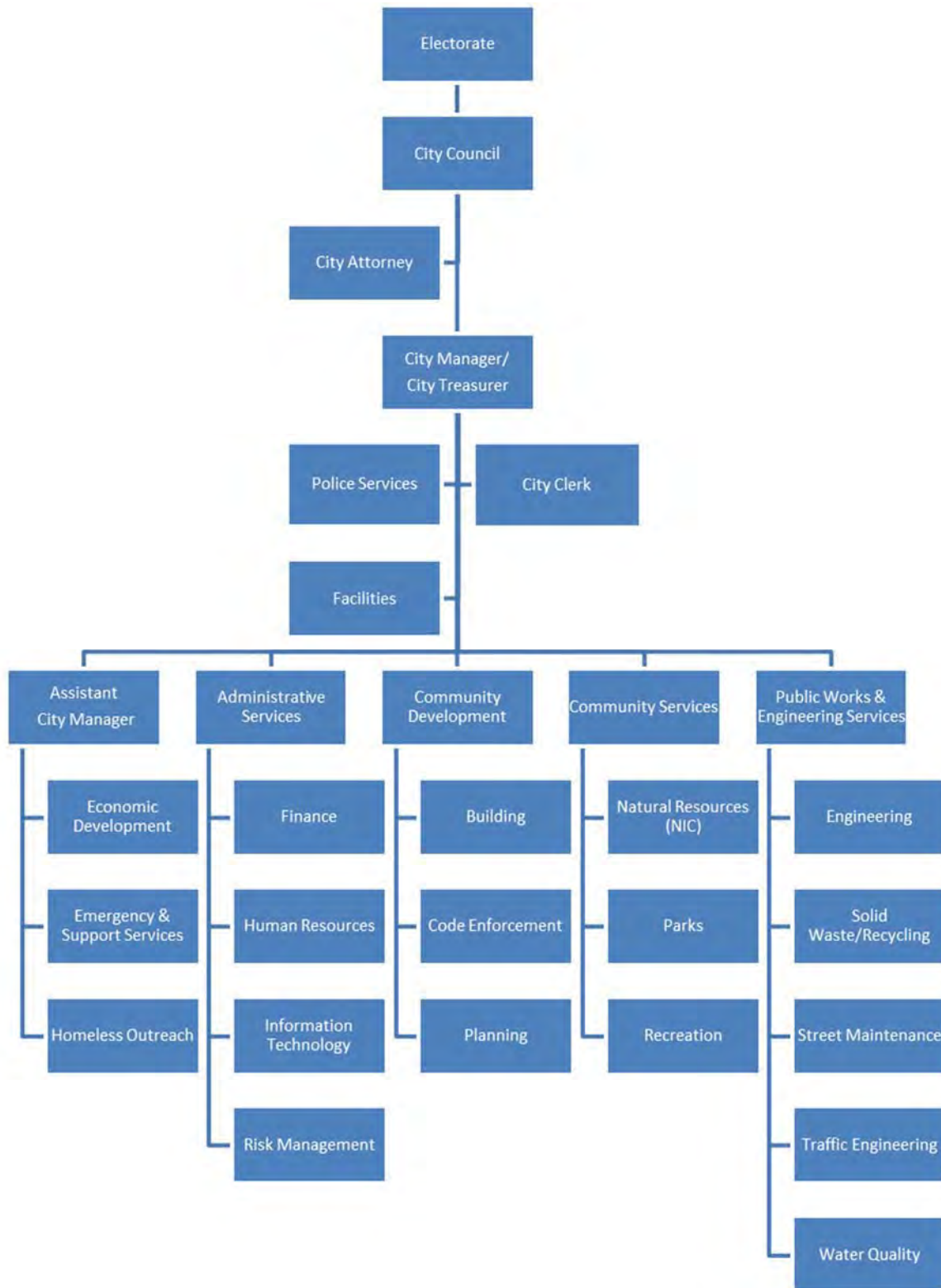
The preparation and development of this report would not have been possible without the dedicated efforts of the entire Administrative Services Department. We would like to take this opportunity to express our gratitude to all the City staff and our independent auditors involved in its preparation. Additionally, we thank our City leaders for their ongoing interest and support in planning and managing the City's financial operations in a responsible and forward-thinking manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael A. Killebrew". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael A. Killebrew  
City Manager

# CITY OF DANA POINT ORGANIZATIONAL CHART





## OFFICIALS OF THE CITY OF DANA POINT\*

### Members of the City Council

Jamey M. Federico, Mayor  
Matthew Pagano, Mayor Pro Tem  
Mike Frost, Council Member  
John Gabbard, Council Member  
Michael Villar, Council Member

### Administrative Staff

Michael A. Killebrew ..... City Manager  
Kelly Reenders ..... Asst. City Manager/Dir. of Economic Development  
Jeff Rosaler..... Deputy Community Services Director  
Shayna Sharke.....City Clerk  
Matt Sinacori.....Director of Public Works & Engineering Services  
Brenda Wisneski.....Director of Community Development  
Capt. Todd Hylton..... Chief of Police Services  
Patrick Muñoz.....City Attorney  
Sea Shelton..... Director of Administrative Services  
Sheryl Mariano..... Finance Manager

*\*Reflects office holders and positions as of the end of the fiscal year*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Dana Point  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Dana Point, California

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

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council  
City of Dana Point, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council  
City of Dana Point, 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.

We did not audit the financial statements of the City for the year ended June 30, 2023 and therefore do not present an opinion on this information.

### ***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 November 19, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Irvine, California  
November 19, 2024



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**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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The management of the City of Dana Point offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter and the City's financial statements.

**FISCAL 2024 FINANCIAL HIGHLIGHTS**

**Long-term Economic Resource (Government-wide) Focus** – Economic resources are differentiated from financial resources in that the economic measurement focus measures changes in net position as soon as the event occurs regardless of the timing of related cash flows.

Therefore, this measurement focus includes current spendable resources, fixed non-spendable assets plus deferred outflows of resources, and long-term claims against these assets plus deferred inflows of resources. The resulting net position utilizing this measurement focus provides one measure of the City's overall long-term financial condition.

- The City's total net position was \$207.9 million at June 30, 2024, which was an increase of approximately \$0.5 million from the prior year. Of this amount, \$153.4 million is invested in capital assets, \$10.7 million is restricted for various purposes and \$43.8 million is unrestricted.
- City-wide governmental revenues for fiscal year 2024 include program revenues of \$10.9 million, and general revenues of \$49.2 million, for a total of \$60.1 million.

**Short-term Financial Resource (Fund) Focus** – The Financial Resources focus measures inflows of current spendable assets. The resulting net difference between current financial assets and current financial liabilities, otherwise known as fund balance (or net working capital in the private sector), is a measure of the City's ability to finance activities in the near term.

- As of the close of fiscal year 2024, the City's Governmental Funds reported combined ending fund balances of \$58.1 million, an increase of \$3.3 million from fiscal year 2023. Of this amount, \$0.3 million is non-spendable, \$10.7 million is restricted, \$35.3 million is assigned, and \$11.8 million is unassigned.
- General Fund revenues totaled \$53.1 million, an increase of \$2.3 million from fiscal year 2023.
- General Fund expenditures totaled \$45.2 million, an increase of \$2.3 million from fiscal year 2023. The variance is attributed to notable increases in Police Services, Personnel Costs, Park Maintenance, Community Activities, and Professional Services. Additionally, there was a one-time payment of \$1.9 million to CalPERS toward the City's unfunded pension liability
- Capital Improvements Fund expenditures increased by \$1.6 million from fiscal year 2023, to \$7.3 million. Major capital outlays vary widely from year to year depending upon the nature of the projects, length of time to construct and availability of internal and external resources. Most of the expenditures are due to the near completion of the residential slurry and resurfacing that was initiated in fiscal year 2024.
- All Other Governmental Funds revenues increased by \$0.9 million to \$6.6 million. This increase is partly due to intergovernmental reimbursements, such as the Project V Trolley Program.
- All Other Governmental Funds expenditures combined increased by \$0.7 million to \$4.7 million in fiscal year 2024.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. There are five components to these financial statements, namely:

- (1) **Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The following reports comprise the government-wide financial statements:
  - a) Statement of Net Position - This report presents information on all the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two 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 weakening, though it is important to consider other non-financial factors in accurately assessing the overall health of the City; and,
  - b) Statement of Activities - This report shows how the City'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 impact cash flows in future fiscal periods.

Both of these government-wide financial statements detail functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as *governmental activities*). The *governmental activities* of the City of Dana Point include general government, public safety, community development, recreation and parks, and public works. Certain activities are funded through user fees and operating grants, while others are funded through general revenues such as sales and use taxes, transient occupancy taxes, property taxes and franchise taxes. The statement of activities assists users in understanding the extent to which programs are self-supporting and which are subsidized through general revenues.

- (2) **Fund financial statements.** These statements show how City services were financed in the short term as well as what remains for future spending. These statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds, but not the City as a whole. Funds are required to be established, either by State or Federal laws, to meet legal responsibilities associated with the usage of certain taxes, grants and other money. There are three kinds of funds, namely:
  - a) Governmental funds - These funds focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information provides a short-term view of the City's general government operations and shows whether there are more or less financial resources that can be spent in the near future to finance the City's programs. These funds are reported using the *modified accrual method* of accounting, which measures cash and all other financial assets that can readily be converted to cash. The relationship between governmental activities and the governmental funds are reported in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position and in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.
  - b) Proprietary funds - When a city charges for the services it provides, the services are generally reported in proprietary funds. The City does not have any financial transactions required to be accounted for using proprietary funds.
  - c) Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs.
- (3) **Notes to the financial statements.** The notes provide additional information essential to a full understanding of the government-wide and fund financial statements.

**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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(4) **Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information, which includes budgetary and combining schedules that provide additional details about the City's major and non-major Governmental Funds. These statements can be found immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

The largest portion (74%) of the City's net position reflects its net investment in capital assets of \$153.4 million (e.g., land, buildings, and improvements other than buildings, equipment, infrastructure and construction in progress) less debt associated with the acquisition of those assets. In fiscal year 2024, there was a net decrease of \$3.1 million in capital assets. This decrease was due to an increase in net accumulated depreciation of \$6.7 million, offset by \$3.4 million in capitalized expenses for new projects. There is no outstanding debt associated with the City's capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are generally not available for future spending.

The remaining net position of the City includes \$43.8 million in unrestricted funds and \$11.4 million in restricted funds, which are subject to legal restrictions on their use. In fiscal year 2023, the Section 115 Pension Trust was classified as unrestricted; however, in fiscal year 2024, the City has designated these funds as restricted because they are specifically allocated for pension-related expenses and cannot be used for other purposes. Additionally, the City holds various receivables that arise in the normal course of operations.

**Table 1**  
**Net Position**  
**(in thousands)**

	<b>Fiscal Year</b>		<b>% Change</b>
	<b>2024</b>	<b>2023</b>	
<b>Assets:</b>			
Current and other assets	\$ 74,889	\$ 72,756	2.9%
Capital assets	154,030	157,101	(2.0%)
Total assets	<b>228,919</b>	<b>229,857</b>	<b>(0.4%)</b>
<b>Deferred Outflows of Resources</b>	<b>6,772</b>	<b>6,691</b>	<b>1.2%</b>
<b>Liabilities:</b>			
Long-term liabilities	9,398	10,515	(10.6%)
Unearned Revenue	2	47	100.0%
Other liabilities	16,220	16,877	(3.9%)
Total liabilities	<b>25,620</b>	<b>27,439</b>	<b>(6.6%)</b>
<b>Deferred Inflows of Resources</b>	<b>2,126</b>	<b>1,705</b>	<b>24.7%</b>
<b>Net Position:</b>			
Invested in capital assets	153,391	156,477	(2.0%)
Restricted	10,710	5,040	112.5%
Unrestricted	43,844	45,889	(4.5%)
Total net position	<b>\$ 207,945</b>	<b>\$ 207,406</b>	<b>0.3%</b>

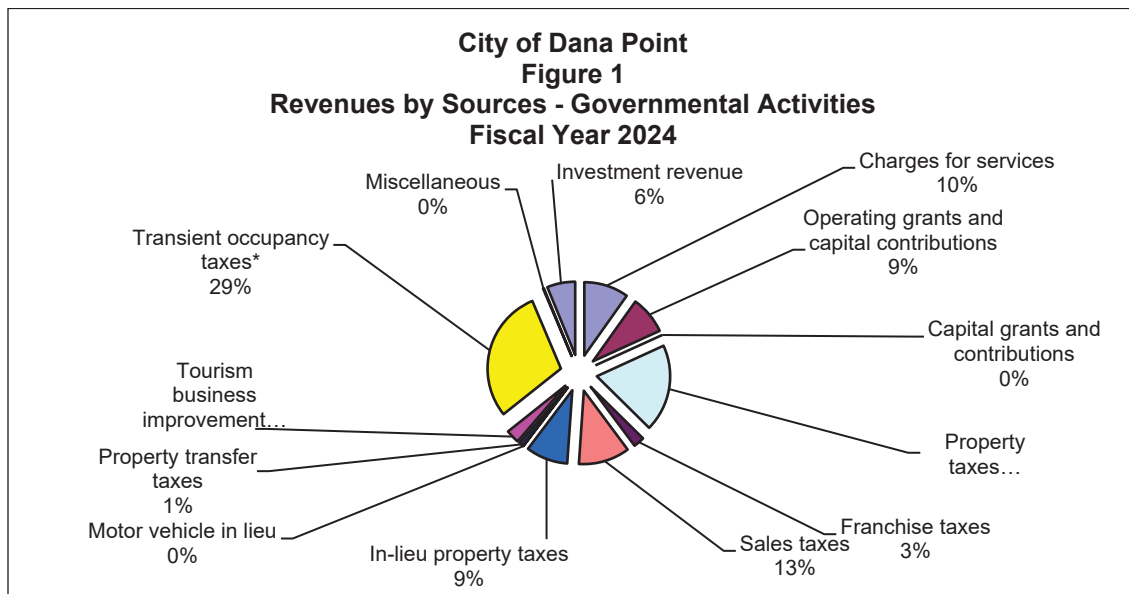
Table 1 shows an increase in the City's net position since the previous fiscal year.

**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

**City of Dana Point**  
**Table 2**  
**Changes in Net Position**  
**(in thousands)**

	<b>Fiscal Year</b>		<b>% Change</b>
	<b>2024</b>	<b>2023</b>	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 5,908	\$ 6,192	(4.6%)
Operating grants and capital contributions	5,027	3,580	40.4%
General revenues:			
Taxes:			
Property taxes	11,537	11,203	3.0%
Franchise taxes	1,458	1,551	(6.0%)
Sales taxes	6,785	7,207	(5.9%)
In-lieu property taxes	5,528	5,291	4.5%
Motor vehicle in-lieu	41	34	20.6%
Property transfer taxes	568	556	2.2%
Transient occupancy taxes	17,617	17,436	1.0%
Other	108	84	28.6%
Tourism business improvement district	1,812	1,819	(0.4%)
Unrestricted investment earnings	3,724	1,143	225.8%
Total revenues	<b>60,113</b>	<b>56,096</b>	<b>7.2%</b>
<b>Expenses:</b>			
General government	11,286	10,659	5.9%
Public safety	14,938	14,526	2.8%
Community development	7,257	5,920	22.6%
Recreation and parks	7,709	6,821	13.0%
Public works	18,368	13,363	37.5%
Capital Outlay	-	2,018	0.0%
Interest expense	15	12	0.0%
Total expenses	<b>59,573</b>	<b>53,319</b>	<b>11.7%</b>
Change in net position	540	2,777	80.6%
Net position, beginning of year	207,405	204,628	1.4%
Net position, end of year	<b>\$ 207,945</b>	<b>\$ 207,405</b>	<b>0.3%</b>

**Governmental Activities** – Total Governmental Activities expenses in fiscal year 2024 were \$59.6 million, offset by \$10.9 million in program revenues and \$49.2 million in general revenues. Program revenues include user fees, grants, and contributions from other governmental organizations, developers, and property owners. Governmental Activities increased the City's net position by \$0.5 million, compared to an increase of \$2.8 million in the prior fiscal year.



*\*Transient occupancy taxes include revenue from hotels (\$16.9M) and short-term residential vacation rentals (\$0.7M).*

Figure 1, Revenues by Sources – Governmental Activities, depicts the distribution of fiscal year 2024 revenues. Overall, the City experienced a 7.2% increase in governmental revenues in fiscal year 2024. The City's top three revenue producers are Transient Occupancy Tax (TOT) Property Tax, and Sales Tax. TOT remains the City's largest revenue source, generating \$17.6 million or 18% of total recurring governmental revenues in fiscal year 2024. Property Tax, totaling \$11.5 million, accounted for 18% of total revenues. Sales tax revenues, at \$6.8 million, represented 13% of total revenues.

Dana Point is a hybrid "contract" city, wherein municipal services are provided by City staff and through contracts with other governmental entities, private firms, and individuals. The City's services are functionally divided into the following categories:

General Government is comprised of nine departments (City Council, City Manager, City Clerk, Emergency and Support Services, Public Information Services, City Attorney, Administrative Services, Risk Management, Facilities, and Non-Departmental), which provide the general governance services, executive management, legal, records management, disaster, emergency planning services, insurance, human resources, finance and accounting, information technology, and property maintenance services. City Attorney services are provided through a contract with a private firm.

Public Safety is comprised of Police Services, which provide law enforcement for the community. The City contracts with the Orange County Sheriff's Department to provide police services, while fire services are provided directly by the Orange County Fire Authority.

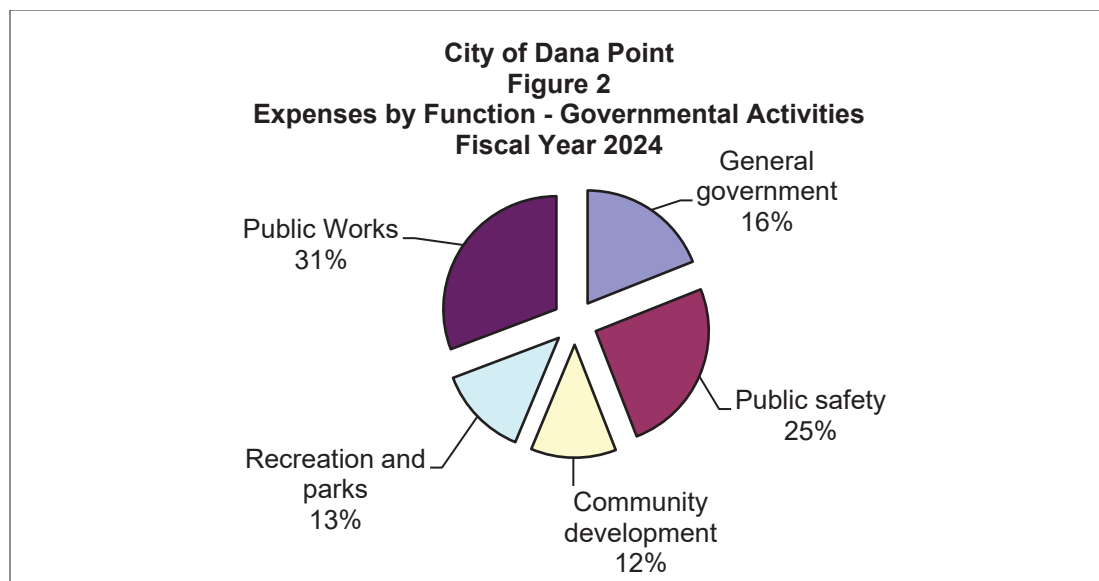
Community Development is comprised of four departments (Planning, Building, Code Enforcement, and Economic Development), which provide development review and permitting services, building inspection, plan review, and enforcement of municipal code services.

Recreation and Parks is comprised of two departments (Community Services and Parks), which provide recreational and cultural arts programs, community outreach activities, senior services, and park maintenance services. The City contracts with private firms to perform most park maintenance.

**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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Public Works is comprised of six departments (Administration, Street Maintenance, Traffic Engineering, Solid Waste, Engineering, and Water Quality & Natural Resources), which provide street maintenance; signal maintenance; median and sidewalk maintenance; traffic signage design, installation, and maintenance; solid waste administration; storm drain repairs and maintenance services; and overall administration of the City's capital improvement program. The City contracts, as needed, with private firms and individuals to provide certain engineering review and design services. Solid waste collection services are provided to the community through a franchise agreement with a private firm. Street maintenance services are provided through contracts with the County of Orange and several private firms. Water, sewer, gas, electric, telephone and cable television services are provided by other governmental agencies or private enterprises.



As shown in Figure 2, Public Works (including capital investments in streets) and Public Safety remain the two largest cost centers for the City, together accounting for 56% of total expenses.

Public Works outlays increased by \$4.9 million, or 37% compared to fiscal year 2023. This increase is largely due to street slurry and rehabilitation costs incurred in fiscal year 2024, with completion anticipated in fiscal year 2025.

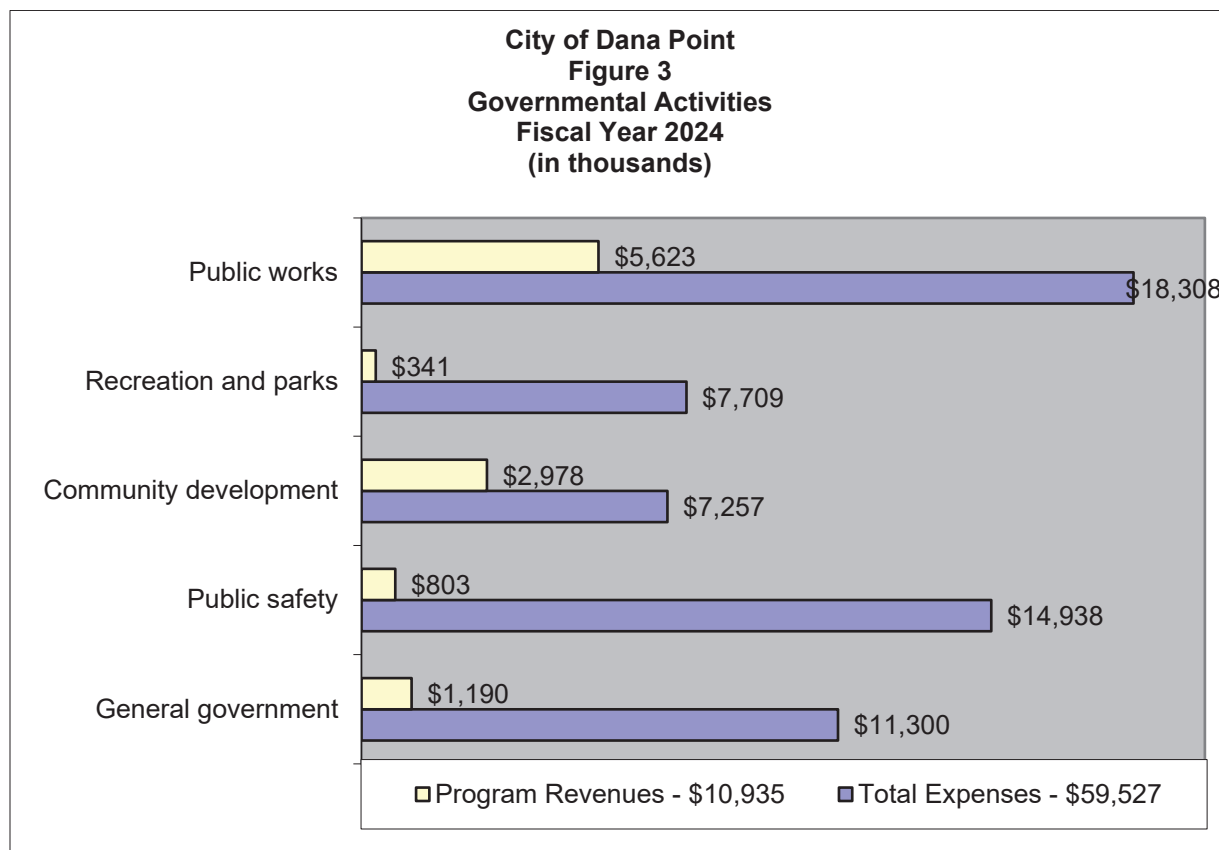
Public Safety expenses increased by \$0.4 million or 2.8%. This increase was driven by higher contract costs with the Orange County Sheriff's Department, as well as expenses related to implementing automated license plate reader cameras throughout the city.

General Government outlays increased \$0.6 million, or 6% in fiscal year 2024. The primary factor contributing to this increase is a one-time payment of \$1.9 million to CalPERS toward the City's unfunded pension liability.

Community Development expenses increased by \$1.3 million, or 22.6%. This increase is attributed to higher professional service costs related to the General Plan update and the City's participation in the preliminary phase of the San Diego Association of Governments' Regional Beach Sand Project III, which aims to assess the feasibility of coastal sand replenishment to protect against erosion.

Recreation and Parks expenses increased \$0.8 million, or 13%. The rise in expenditures is due to additional community activities and events, as well as increased contract costs for park maintenance and repair projects.

Overall, fiscal year expenses for governmental activities totaled \$59.6 million in fiscal year 2024, an increase of \$6.3 million, or 11.7%.



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds utilize the financial resources measurement focus which provides information on near-term inflows and outflows, and balances of spendable resources. This information is useful in assessing the City's fiscal requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Fund balance** – As of the end of fiscal year 2024, the City's governmental funds reported combined fund balances of \$58.1 million, an increase of \$3.3 million from the prior year. Of this total, the General Fund accounted for \$28.2 million, or 48.6%; the Capital Improvements Fund represented \$20.8 million, or 35.8%; the remaining \$9.1 million, or 15.6%, was in all other funds combined.

At June 30, 2024, the City had \$0.3 million of prepaid expenditures that are classified in the non-spendable portion of the fund balance. This amount has already been spent and not available for further appropriation. Additionally, \$10.7 million of fund balance is restricted in its use by the Federal government, the State of California, or other grantors.

The assigned classification of fund balance is designated for specific purposes. In fiscal year 2024, assigned fund balance totaled \$35.3 million, including \$11.7 million in the General Fund for economic stability, extreme events, and the unfunded pension obligations; \$20.8 million for capital improvement projects; and \$2.8 million for non-major funds.

The remaining \$11.8 million of the fund balance was categorized as unassigned, meaning it was available for appropriation for any purpose. For more information about City reserves and fund balances, please refer to Note 12 in the Notes to the Financial Statements.



**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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Activities in the Major Governmental Funds in the current fiscal year included the following:

**GENERAL FUND**

Net General Fund revenues were \$7.9 million more than expenditures in fiscal year 2024. When combined with Interfund Transfers Out totaling \$7.0 million—\$5.3 million to the Capital Improvement Fund, \$0.2 million to the Coastal Transit Fund, and \$1.5 million to the Facilities Improvements Fund—the net fund balance increased by \$1.2 million for fiscal year 2024.

Total General Fund revenues for fiscal year 2024 were \$53.1 million, an increase of \$2.2 million over fiscal year 2023. Overall, expenditures for fiscal year 2024 finished at \$45.2 million, 5.3% more than the prior fiscal year.

Transient Occupancy Tax (TOT) revenue, the City's largest revenue source, increased slightly by \$0.2 million from hotel and motel properties in fiscal year 2024. TOT revenue from short-term rentals remained relatively stagnant at \$0.7 million, a modest increase of \$7,000 compared to fiscal year 2023.

Property tax totaled \$11.5 million for FY24, reflecting an increase of \$0.3 million from the previous fiscal year. The City's taxable assessed value for FY24 rose by 4.4% from 2023, resulting in higher secured and unsecured property tax receipts. This increase is primarily attributed to property transfers from previous years and the application of the maximum allowable 2% annual CPI adjustment to assessed values.

Investment earnings were higher than average in fiscal year 2024, driven by favorable rates on fixed-income investments, including treasury notes and local agency investment pools. Total investment earnings for the fiscal year amounted to \$3.0 million.

The City's largest expenditures are for Police Services provided by the Orange County Sheriff's Department (OCSD), totaling \$14.0 million, an increase of \$0.4 million.

Total personnel expenditures increased by \$0.4 million compared to the previous fiscal year. In late 2023, the City entered into a new Memorandum of Understanding (MOU) with the Dana Point Employees Association, which included various compensation increases, including a one-time, non-base-building bonus for all staff.

**CAPITAL IMPROVEMENTS FUND**

The Capital Improvements Fund incurred \$7.3 million in capital expenditures. Funding was provided by transfers in from the General Fund in the amount of \$5.3 million, and \$1.9 million from Non-Major Governmental Funds. The Capital Improvements Fund concluded fiscal year 2024 with a net \$0.3 million increase in fund balance.

**Budgetary Highlights**

The City adopts two-year operating and capital budgets, with fiscal year 2024 being the first year of a two-year budget cycle. Due to the use of conservative assumptions and the uncertainty of estimates involved in projecting certain revenues and expenditures, the City Council routinely amends the budget during the fiscal year. During fiscal year 2024, the overall General Fund revenue budget increased by \$2.6 million. The revenue accounts reflecting the largest increases compared to fiscal year 2023 included transient occupancy tax and investment income.

*Transient Occupancy Tax (TOT)* – The City's largest revenue source, at \$17.6 million collected in fiscal year 2024; \$16.9 million from hotels and \$0.7 million from short-term residential vacation rentals.

*Property Tax* – The City's second-largest revenue source totaled \$11.5 million, which came in on budget and was \$0.3 million higher than the previous fiscal year.

**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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*Sales and Use Tax*— Representing the City's third largest tax revenue, Sales and Use tax finished fiscal year 2024 at \$6.8 million. This was a \$0.4 million decrease from fiscal year 2023, which was expected with a loss of a major sales tax producer in the beginning of the fiscal year.

*Charges for Services*— This category of revenue includes, among others, Planning, Building, and Engineering Fees. Fiscal year 2024 revenue totaled \$2.5 million, which was \$0.3 million above budget.

*Licenses & Permits*— This category includes construction-related permits and finished fiscal year 2024 on budget at \$2.5 million.

The City's General Fund revenues finished fiscal year 2024 at \$53.1 million, which is \$4 million higher than the amended budget of \$49.1 million.

During fiscal year 2024 the General Fund expenditure budget, including transfers out, had a net increase of \$9.4 million from the amended budget of \$46.4 million. This increase is a combination of the one time payment to CalPERS to decrease the City's UAL, budget increases for Police Services, legal costs, professional services, third-party reimbursable services, and marketing.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

In accordance with Government Accounting Standards Board Statement No. 34, the City records and reports the value of its capital assets, including infrastructure. Infrastructure includes roads, bridges, parks, traffic signals, curbs, sidewalks, gutters, storm drains and similar public assets. At the end of fiscal year 2024 the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 4 below. For more details about the City's capital assets, refer to Note 4 in the Notes to the Financial Statements.

**City of Dana Point**  
**Table 4**  
**Capital Assets**  
**(in thousands)**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Land	\$ 54,554	\$ 54,554	0.0%
Art	1,482	816	81.6%
Construction in progress	2,276	3,951	(42.4%)
Buildings and improvements	12,080	12,084	(0.0%)
Equipment	4,281	3,462	23.7%
Lease assets	699	384	82.0%
Subscription assets	712	713	0.0%
Infrastructure	235,355	231,843	1.5%
Less: Accumulated depreciation	(157,409)	(150,705)	4.4%
Governmental activity capital assets, net	<u><u>\$ 154,030</u></u>	<u><u>\$ 157,102</u></u>	<u><u>(2.0%)</u></u>

**CITY OF DANA POINT**  
**Management's Discussion Analysis**  
**For the Year Ended June 30, 2024**

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Long-Term Liabilities

At the end of fiscal year 2024, the City had total outstanding long-term liabilities of \$9.4 million, consisting of \$0.7 million in compensated time-off obligations due to employees, \$0.6 in liabilities for various lease and subscription agreements, \$1.2 million for Other Post-Employment Benefits (OPEB) related to the CALPERS health benefit program, and \$6.9 million in net pension liability.

As of June 30, 2024, the City's long-term liabilities were as shown in Table 5 below:

**City of Dana Point**  
**Table 5**  
**Long-term Liabilities**  
**(in thousands)**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Other debt:			
Compensated absences	\$ 655	\$ 662	(1.1%)
Leases Payable	423	221	-
Subscriptions Payable	216	405	-
Net OPEB Liability	1,193	1,093	9.1%
Net Pension Liability	6,911	8,134	(15.0%)
Total long-term debt	<b>\$ 9,398</b>	<b>\$ 10,515</b>	<b>(10.6%)</b>

For more detailed information regarding the City's long-term liabilities, refer to Notes 6, 7 and 8 in the Notes to the Financial Statements.

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Administrative Services, 33282 Golden Lantern St, Dana Point, California 92629.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF DANA POINT, CALIFORNIA**  
**Statement of Net Position**  
**June 30, 2024**  
**With Comparative Totals for June 30, 2023**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and investments	\$ 64,111,766	\$ 66,764,662
Beneficial interest in annuity	434,875	437,530
Receivables (net of uncollectibles):		
Taxes	2,892,528	2,985,564
Accounts	1,936,393	1,468,776
Accrued interest	191,948	272,039
Intergovernmental	635,065	650,467
Restricted assets:		
Cash and investments	4,413,623	-
Prepaid items	273,043	176,685
Capital assets (not being depreciated/amortized)	58,311,607	59,320,291
Capital assets (net of accumulated depreciation/amortization)	95,718,534	97,781,684
<b>Total assets</b>	<b>228,919,382</b>	<b>229,857,698</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension-related	6,616,969	6,525,530
OPEB-related	155,204	165,833
<b>Total deferred outflows of resources</b>	<b>6,772,173</b>	<b>6,691,363</b>
<b>LIABILITIES</b>		
Accounts payable	6,125,838	5,445,535
Accrued liabilities	162,429	129,592
Deposits payable	9,931,171	11,302,038
Unearned revenue	2,000	47,190
Noncurrent liabilities:		
Due within one year:		
Compensated absences	245,475	252,461
Leases	113,944	90,528
Subscriptions	142,315	211,844
Total OPEB liability	35,000	-
Due in more than one year:		
Compensated absences	409,230	409,979
Leases	308,664	130,110
Subscriptions	74,318	192,920
Net pension liability	6,911,476	8,134,327
Total OPEB liability	1,158,152	1,092,848
<b>Total liabilities</b>	<b>25,620,012</b>	<b>27,439,372</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension-related	1,218,539	658,735
OPEB-related	907,700	1,045,799
<b>Total deferred inflows of resources</b>	<b>2,126,239</b>	<b>1,704,534</b>
<b>NET POSITION</b>		
Net investment in capital assets	153,390,900	156,476,573
Restricted:		
Public safety	93,667	117,845
Parks and recreation	234,326	211,925
Public works	5,019,416	3,436,706
ESHA maintenance	337,155	310,957
Art in public places	12,446	12,446
Tourism business improvement	478,625	460,825
Facilities improvement	121,345	489,229
Restricted for pension benefits	4,413,623	-
Unrestricted	43,843,801	45,888,649
<b>Total net position</b>	<b>\$ 207,945,304</b>	<b>\$ 207,405,155</b>

CITY OF DANA POINT, CALIFORNIA  
Statement of Activities  
For the Year Ended June 30, 2024  
With Comparative Totals for the Year Ended June 30, 2023

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
				Governmental Activities	
	Expenses	Charges for Services	Operating Contributions and Grants	2024	2023
<b>Functions/Programs:</b>					
Primary government:					
Governmental activities:					
General government	\$ 11,286,037	\$ 797,811	\$ 391,810	\$ (10,096,416)	\$ (9,512,152)
Public safety	14,938,187	347,171	455,710	(14,135,306)	(13,694,577)
Community development	7,257,225	2,977,763	-	(4,279,462)	(2,479,839)
Recreation and parks	7,708,958	269,150	71,691	(7,368,117)	(6,545,303)
Public works	18,367,696	1,515,992	4,107,348	(12,744,356)	(11,303,686)
Interest on long-term debt	14,677	-	-	(14,677)	(11,834)
<b>Total governmental activities</b>	<b>\$ 59,572,780</b>	<b>\$ 5,907,887</b>	<b>\$ 5,026,559</b>	<b>(48,638,334)</b>	<b>(43,547,391)</b>
<b>General revenues:</b>					
General revenues:					
Property taxes				11,536,785	11,203,293
Franchise taxes				1,458,490	1,550,687
Sales taxes				6,784,935	7,206,850
In-lieu property taxes				5,528,410	5,291,004
Motor vehicle in lieu tax				40,962	33,992
Property transfer tax				567,876	555,490
Transient occupancy taxes				17,616,663	17,436,189
Tourism business improvement district				1,812,041	1,819,047
Use of money and property				3,724,266	1,142,535
Other				108,055	84,875
<b>Total general revenues</b>				<b>49,178,483</b>	<b>46,323,962</b>
<b>Change in net position</b>				<b>540,149</b>	<b>2,776,571</b>
Net position-beginning				207,405,155	204,628,584
<b>Net position-ending</b>				<b>\$ 207,945,304</b>	<b>\$ 207,405,155</b>

CITY OF DANA POINT, CALIFORNIA  
Balance Sheet  
Governmental Funds  
June 30, 2024

	Capital Projects Fund			Total Governmental Funds	
	General	Capital Improvements	Total Nonmajor Funds	2024	2023
<b>ASSETS</b>					
Cash and investments	\$ 33,292,139	\$ 22,392,417	\$ 8,427,210	\$ 64,111,766	\$ 66,764,662
Beneficial interest in annuity	-	-	434,875	434,875	437,530
Receivables (net of uncollectables):					
Taxes	2,892,528	-	-	2,892,528	2,985,564
Accounts	825,592	-	1,110,801	1,936,393	1,468,776
Interest	191,948	-	-	191,948	272,039
Intergovernmental	335,942	60,000	239,123	635,065	650,467
Prepaid items	273,043	-	-	273,043	176,685
Restricted assets:					
Restricted cash and investments	4,413,623	-	-	4,413,623	-
<b>Total assets</b>	<b>\$ 42,224,815</b>	<b>\$ 22,452,417</b>	<b>\$ 10,212,009</b>	<b>\$ 74,889,241</b>	<b>\$ 72,755,723</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,780,207	\$ 1,682,141	\$ 663,490	\$ 6,125,838	\$ 5,445,535
Accrued liabilities	162,429	-	-	162,429	129,592
Deposits payable	9,931,171	-	-	9,931,171	11,302,038
Unearned revenue	2,000	-	-	2,000	47,190
<b>Total liabilities</b>	<b>13,875,807</b>	<b>1,682,141</b>	<b>663,490</b>	<b>16,221,438</b>	<b>16,924,355</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	138,895	-	11,154	150,049	594,207
Beneficial interest	-	-	434,875	434,875	437,530
<b>Total deferred inflows of resources</b>	<b>138,895</b>	<b>-</b>	<b>446,029</b>	<b>584,924</b>	<b>1,031,737</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	273,043	-	-	273,043	176,685
Restricted	4,426,069	-	6,284,534	10,710,603	9,076,212
Assigned	11,682,370	20,770,276	2,817,956	35,270,602	31,989,735
Unassigned	11,828,631	-	-	11,828,631	13,556,999
<b>Total fund balances (deficits)</b>	<b>28,210,113</b>	<b>20,770,276</b>	<b>9,102,490</b>	<b>58,082,879</b>	<b>54,799,631</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 42,224,815</b>	<b>\$ 22,452,417</b>	<b>\$ 10,212,009</b>	<b>\$ 74,889,241</b>	<b>\$ 72,755,723</b>

**CITY OF DANA POINT, CALIFORNIA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**  
**With Comparative Totals for June 30, 2023**

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

Total fund balances - governmental funds		\$ 58,082,879
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		154,030,141
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 6,616,969	
Deferred outflows-OPEB related	155,204	
Deferred inflows-pension related	(1,218,539)	
Deferred inflows-OPEB related	<u>(907,700)</u>	
Total deferred outflows and inflows related to postemployment benefits		4,645,934
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Beneficial interest annuity	434,875	
Miscellaneous revenues	<u>150,049</u>	
Total other long-term assets		584,924
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Leases and subscriptions payable	(639,241)	
Compensated absences	(654,705)	
Net pension liability	(6,911,476)	
Net OPEB liability	<u>(1,193,152)</u>	
Total long-term liabilities		<u>(9,398,574)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 207,945,304</u></b>



**CITY OF DANA POINT, CALIFORNIA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Capital Projects Fund</b>			<b>Total Governmental Funds</b>	
	<b>General</b>	<b>Capital Improvements</b>	<b>Total Nonmajor Funds</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>					
Taxes	\$ 43,388,285	\$ -	\$ 4,498,684	\$ 47,886,969	\$ 47,437,020
Licenses, fees, and permits	2,453,577	-	-	2,453,577	2,750,566
Fines , forfeitures, and penalties	564,502	-	-	564,502	540,730
Intergovernmental	990,483	-	1,495,269	2,485,752	1,709,678
Charges for services	2,506,573	-	383,235	2,889,808	2,834,821
Investment earnings (losses)	3,100,607	369,998	253,661	3,724,266	1,145,032
Other	108,055	-	-	108,055	150,333
<b>Total revenues</b>	<b>53,112,082</b>	<b>369,998</b>	<b>6,630,849</b>	<b>60,112,929</b>	<b>56,568,180</b>
<b>EXPENDITURES</b>					
Current:					
General government	10,759,875	-	-	10,759,875	10,345,270
Public safety	14,632,102	-	217,253	14,849,355	14,418,373
Community development	5,445,184	-	1,812,041	7,257,225	6,427,631
Parks and recreation	6,757,377	-	68,742	6,826,119	6,129,475
Public works	7,189,589	-	1,159,327	8,348,916	8,459,409
Capital outlay	58,695	7,288,094	1,440,564	8,787,353	6,309,253
Debt service:					
Principal	351,372	-	-	351,372	319,399
Interest	14,677	-	-	14,677	11,834
<b>Total expenditures</b>	<b>45,208,871</b>	<b>7,288,094</b>	<b>4,697,927</b>	<b>57,194,892</b>	<b>52,420,644</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,903,211</b>	<b>(6,918,096)</b>	<b>1,932,922</b>	<b>2,918,037</b>	<b>4,147,536</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	7,198,142	1,975,000	9,173,142	8,634,448
Transfers out	(7,042,281)	-	(2,130,861)	(9,173,142)	(8,634,448)
Leases and subscriptions	365,211	-	-	365,211	-
<b>Total other financing sources (uses)</b>	<b>(6,677,070)</b>	<b>7,198,142</b>	<b>(155,861)</b>	<b>365,211</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,226,141</b>	<b>280,046</b>	<b>1,777,061</b>	<b>3,283,248</b>	<b>4,147,536</b>
Fund balances-beginning	26,983,972	20,490,230	7,325,429	54,799,631	50,652,095
<b>Fund balances -ending</b>	<b>\$ 28,210,113</b>	<b>\$ 20,770,276</b>	<b>\$ 9,102,490</b>	<b>\$ 58,082,879</b>	<b>\$ 54,799,631</b>

**CITY OF DANA POINT, CALIFORNIA**  
**Reconciliation of the Statement of Revenues, Expenses and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds: \$ 3,283,248

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

Capital outlay	\$ 3,901,789	
Depreciation/amortization expense	<u>(6,973,623)</u>	
Total adjustment		(3,071,834)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable revenues		(446,813)
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases/subscriptions issued	(365,211)	
Principal payments	<u>351,372</u>	
Total adjustment		(13,839)

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

Compensated absences	7,735	
Changes in pension liabilities and related deferred outflows and inflows of resources	754,486	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>27,166</u>	
Total adjustment		<u>789,387</u>

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>540,149</u></b>
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CITY OF DANA POINT, CALIFORNIA  
Statement of Fiduciary Net Position  
Custodial Fund  
June 30, 2024

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<b>ASSETS</b>	
Cash and investments with fiscal agents	\$ 6,465,005
Accounts receivable	43,316
<b>Total assets</b>	<b>6,508,321</b>
<b>LIABILITIES</b>	
Accounts payable	43,316
Due to bondholders	6,465,005
<b>Total liabilities</b>	<b>6,508,321</b>
<b>NET POSITION</b>	
Restricted for debt service	-
<b>Total net position</b>	<b>\$ -</b>

CITY OF DANA POINT, CALIFORNIA  
Statement of Changes in Fiduciary Net Position  
Custodial Fund  
For the Year Ended June 30, 2024

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<b>ADDITIONS</b>	
Special tax assessments	\$ 2,706,104
Interest and dividend income	23,353,614
<b>Total additions</b>	<b>26,059,718</b>
<b>DEDUCTIONS</b>	
Administrative fees	14,848
Payments to bondholders	2,130,000
Bond interest	23,914,870
<b>Total deductions</b>	<b>26,059,718</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>-</b>
Net position-beginning, as restated	-
<b>Net position-ending</b>	<b>\$ -</b>

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**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Reporting Entity**

The City of Dana Point (the "City") was incorporated on January 1, 1989, under the laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City operates under a Council-Manager form of government and provides planning, building, engineering, park, recreation, emergency preparedness, and general administrative services. Law enforcement services are provided through a contract with the County of Orange Sheriff's Department. Fire services are provided directly by the Orange County Fire Authority, of which the City is a member.

Generally accepted accounting principles require that these financial statements represent the City and its component units, entities for which the City is considered to be financially accountable, if any. Blended component units, although legally separate entities, are, in substance, part of the government's operations and therefore data from these units are combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

On December 22, 1993, pursuant to a resolution of the Orange County Local Agency Formation Commission ("LAFCO"), the Capistrano Bay Park and Recreation District (District) was merged with the City of Dana Point.

A number of other independent governmental entities, including the State of California, the County of Orange, various water, sewer, and other districts, provide services within the City of Dana Point.

**B. Basis of Presentation**

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-Wide Statements: The Government-Wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. All City activities are governmental.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources, taxes, and other items that are not properly included among program revenues are reported instead as general revenues.

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, transient occupancy taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are therefore 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.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

The *Capital Improvements Fund* accounts for the acquisition, construction, and improvement of capital facilities financed by grants and operating transfers from the General Fund and other non-major funds.

Additionally, the City reports the following fund type:

The Custodial Fund is used to account for money received by the City as an agent for individuals, other governments, and other entities. A Custodial Fund is used to account for the assessment and collection of certain special taxes for bonds financed under the Mello-Roos Community Facilities Act of 1982.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated. Interfund services provided and used have not been eliminated.

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 they are needed.

**D. Budgetary Policy and Control**

Budgets are adopted biennially by the City Council and prepared for all governmental funds in accordance with their basis of accounting. As provided by City ordinance, the City Manager is responsible for preparing the budget and for its implementation after adoption. All unencumbered appropriations lapse at year-end. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to transfer appropriations from one function or activity to another within the same fund without Council approval provided such changes would neither have a significant policy impact, nor affect budgeted year-end fund balances.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established at the fund level. For management purposes, the City monitors activity at the function and activity level, within each individual fund. Formal budgetary integration is employed as a management control device during the year for the governmental-type funds. Budgets for the governmental-type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council. No budget was adopted for the Park Development capital projects fund for the fiscal year ended June 30, 2024.

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Investments**

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. *Investment income* earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**F. Investment Valuations**

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**G. Property Taxes**

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

Under California law, property taxes are assessed and collected by the County at up to one percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based upon complex formulas.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for such items using the consumption method.

**I. Restricted Assets**

The City imposes impact fees upon certain new developments in order to fund the creation, improvement and installation of public art in locations throughout the City. These impact fees are restricted in use for the specific improvements for which the fees were collected. Accordingly, they are classified as restricted on the Statement of Net Position and the Governmental Funds' Balance Sheet.

**J. Capital Assets**

Capital assets, which include land, structures, equipment and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Assets purchased in excess of \$5,000 are capitalized if they have an expected useful life of three years or more. Infrastructure is capitalized if the cost is in excess of \$50,000 and it has an expected useful life of five years or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired through lease obligations and subscription-based information technology arrangements (SBITAs) are valued at the present value of future lease/SBITA payments at the date acquired. Donated capital assets are valued at their acquisition value at the date of donation.



**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation/amortization is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation/amortization purposes for each capital asset class is as follows:

Buildings	50 years
Furniture & Equipment	3 – 20 years
Infrastructure	5 – 40 years
Lease and Subscription Assets	2 – 30 years

**K. Use of Estimates**

The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

**L. Compensated Absences**

All leave benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements. Compensated absences are liquidated by the General Fund.

**M. Subscription-based Information Technology Arrangements**

The City is a participant in subscription-based IT arrangements as detailed in Note 7. The City recognizes a subscription-based IT payable and right to use IT 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-based IT payable. Subsequently, the subscription assets are amortized over the life of the arrangement term.

**N. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined by an independent actuary. 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. Pension liabilities are liquidated by the General Fund.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**P. Investments**

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

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

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

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

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

**P. Deferred Inflows and Outflows**

In addition to assets, the statement of net 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. The government has two items that qualify for reporting in this category, deferred outflows related to pension and OPEB.

In addition to liabilities, the statement of net 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. The government has three types of items, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report beneficial interest as an inflow of resources in the period only in the governmental funds balance sheet. The others are deferred inflow related to pensions and OPEB.

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Prior Year Data**

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles.

Certain minor reclassifications of prior year data have been made in order to enhance their comparability with the current year figures.

**R. Accounting Changes**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

- GASB Statement No. 101 – “Compensated Absences”, effective for reporting periods beginning after December 15, 2023.
- GASB Statement No. 102 – “Certain Risk Disclosures”, effective for reporting periods beginning after June 15, 2024.
- GASB Statement No. 103 – “Financial Reporting Model Improvements”, effective for reporting periods beginning after June 15, 2025.
- GASB Statement No. 104 – “Disclosure of Certain Capital Assets”, effective for reporting periods beginning after June 15, 2025.

**NOTE 2: CASH AND INVESTMENTS**

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

Statement of Net Position Cash and investments	\$ 68,525,389
Fiduciary Funds	
Cash and investments with fiscal agents	6,465,005
Total Cash and Investments	<u>\$ 74,990,394</u>
Cash investments as of June 30, 2024 consist of the following:	
Cash on hand (petty cash)	\$ 13,500
Deposits with financial institutions	1,871,114
Investments	68,692,157
PARS Section 115 Trust	4,413,623
Total Cash and Investments	<u>\$ 74,990,394</u>

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's Investment Policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's Investment Policy, where more restrictive) that address interest rate risk and concentration of credit risk. The trustee holds money market mutual funds in accordance with the provision of the debt agreements of the City, rather than the general provisions of California Government Code or the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S Treasury Obligations	5 years	None	None
U.S Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	15%	10%
Negotiable Certificates of Deposit	2 years	30%	None
Repurchase Agreements	1 year	20%	None
Time Deposits	1 year	15%	None
Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Local Agency Investment Fund	N/A	None	None
California Asset Management Program	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 of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter- and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2024, the City had the following investments:

Investment Type	Totals	Remaining Maturity (In Months)		
		12 Months or Less	13 to 24 Months	25-60 Months
Local Agency Investment Fund	\$ 18,638,343	\$ 18,638,343	\$ -	\$ -
California Asset Management Program	17,523,110	17,523,110	-	-
U.S. Treasury Notes	26,065,700	13,866,620	2,953,120	9,245,960
PARS 115 Trust	4,413,623	4,413,623	-	-
Held by bond trustee:				
Money market funds	6,465,004	6,465,004	-	-
Total	<u>\$ 73,105,780</u>	<u>\$ 60,906,700</u>	<u>\$ 2,953,120</u>	<u>\$ 9,245,960</u>

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's Investment Policy, or debt agreements, and the Standard and Poor's actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Totals	Minimum Legal Rating	Rating as of Year End		
			Exempt from Disclosure	AAA	Not Rated
Local Agency Investment Fund	\$ 18,638,343	N/A	\$ -	\$ -	\$ 18,638,343
California Asset Management Program	17,523,110	N/A	-	-	17,523,110
U.S. Treasury Notes	26,065,700	N/A	26,065,700	-	-
PARS 115 Trust	4,413,623	N/A	-	-	4,413,623
Held by bond trustee:		N/A			
Money market funds	6,465,004	AAA	-	6,465,004	-
Total	<u>\$ 73,105,780</u>		<u>\$ 26,065,700</u>	<u>\$ 6,465,004</u>	<u>\$ 40,575,076</u>

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 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 City's Investment Policy contains a requirement that would limit the exposure to custodial risk for investments by the following provision: All securities owned by the City, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department, acting as agent for the City under terms of a custody agreement executed by the bank and by the City. All security transactions entered into by the City shall be conducted on a delivery-versus-payment basis, i.e., the City's safekeeping agent will only release payment for a security after the security has been properly delivered.

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. Of the City's deposits with financial institutions, \$1,621,114 was in excess of federal depository insurance limits. This amount is collateralized pursuant to California Government Code.

Fair Value Measurements

Fair Value measurements are categorized based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, including matrix pricing models; Level 3 inputs are significant unobservable inputs.

**CITY OF DANA POINT, CALIFORNIA**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Fair value measurements as of June 30, 2024 for investments are as follows:

Leveled Investments:	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 26,065,700	\$ 26,065,700	\$ -	\$ -
Uncategorized Investments:				
Local Agency Investment Fund	18,638,343			
California Asset Management Program	17,523,110			
PARS 115 Trust	4,413,623			
Held by bond trustee:				
Money Market Funds	6,465,004			
Total Investment Portfolio	\$ 73,105,780			

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

California Asset Management Program

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust and created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies under California Government Code Section 53601(p). CAMP is governed by a seven-member Board of Trustees comprised of finance directors and treasurers of California public agencies. The City reports investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. CAMP investments are highly liquid and deposits can be converted to cash within 24 hours without loss of interest.

**NOTE 3: INTERFUND ACTIVITY**

Interfund Transfers

	Transfers In		Totals
	Capital Improvements	Nonmajor Governmental Funds	
Transfers Out			
General Fund	\$ 5,307,281	\$ 1,735,000	\$ 7,042,281
Nonmajor Governmental Funds	1,890,861	240,000	2,130,861
Total	\$ 7,198,142	\$ 1,975,000	\$ 9,173,142

The City has established certain funds to account for revenues, which are subject to statutory requirements requiring that the revenues not be commingled with other revenue sources. In cases where the associated expenditure of these revenues occurs in other funds, the City utilizes interfund transfers to move the monies from the fund in which the revenues are received into the fund in which the associated expenditures occur. Interfund transfers are also used to move unrestricted monies from the General Fund into other funds, as needed, to provide matching funds or supplemental funds for operating and/or capital expenditures.

**CITY OF DANA POINT, CALIFORNIA**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: INTERFUND ACTIVITY (CONTINUED)**

In the year ended June 30, 2024, the City made the following interfund transfers:

1. A transfer of \$235,000 from the General Fund to the Coastal Transit Fund to provide resources for the trolley program.
2. A transfer of \$5,307,281 from the General Fund to the Capital Improvement Projects Fund to provide resources for current year projects.
3. A transfer of \$1,500,000 from the General Fund to the Facilities Improvement Fund for facilities maintenance projects.
4. A transfer of \$240,000 from the Clean Air Act Fund to the Coastal Transit Fund to fund the trolley program.
5. A transfer of \$847,078 from the Gas Tax Fund, \$877,273 from the Measure M Fund, and \$166,510 from the Road Maintenance and Rehab Fund for street maintenance and improvements.

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	Beginning Balance	Transfers	Additions	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 54,553,588	\$ -	\$ -	\$ -	\$ 54,553,588
Art	815,600	468,000	198,000	-	1,481,600
Construction in progress	3,951,103	(3,851,260)	2,176,576	-	2,276,419
Total capital assets not being depreciated	59,320,291	(3,383,260)	2,374,576	-	58,311,607
Capital assets being depreciated:					
Buildings	12,084,580	-	-	(4,650)	12,079,930
Equipment	3,461,712	148,497	680,418	(9,375)	4,281,252
Leases	384,648	-	370,023	(76,680)	677,991
Subscriptions	713,366	-	198,982	(85,687)	826,661
Infrastructure	231,842,768	3,234,763	277,790	-	235,355,321
Total capital assets being depreciated	248,487,074	3,383,260	1,527,213	(176,392)	253,221,155
Less accumulated depreciation for:					
Buildings	(6,940,228)	-	(422,624)	4,650	(7,358,202)
Equipment	(2,224,620)	-	(218,691)	9,375	(2,433,936)
Leases	(183,147)	-	(178,897)	76,680	(285,364)
Subscriptions	(276,352)	-	(337,578)	85,687	(528,243)
Infrastructure	(141,081,043)	-	(5,815,833)	-	(146,896,876)
Total capital assets being depreciated	(150,705,390)	-	(6,973,623)	176,392	(157,502,621)
Total capital assets being depreciated, net	97,781,684	3,383,260	(5,446,410)	-	95,718,534
Total capital assets net of accumulated depreciation	\$ 157,101,975	\$ -	\$ (3,071,834)	\$ -	\$ 154,030,141

Depreciation expense was charged to functions/programs as follows:

Activities:

General government	\$ 868,736
Public Safety	88,832
Recreation and parks	882,839
Public works	5,133,216
Total Depreciation Expense - Governmental Activities	<u>\$ 6,973,623</u>

Construction Commitments

The City had active construction projects as of June 30, 2024. The projects include residential road resurfacing and slurry seals, and upgrades to City parks and trails. At year end, the City had outstanding commitments which totaled \$2,276,420.



**CITY OF DANA POINT, CALIFORNIA**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 5: COMPENSATED ABSENCES**

The following is a summary of the compensated absences activity for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Compensated absences	\$ 662,440	\$ 483,215	\$ (490,950)	\$ 654,705	\$ 245,475

All full-time employees are eligible to receive comprehensive annual leave (CAL). The number of days each employee accrues is determined based upon length of employment and hours worked. An employee may accrue a maximum of two times their annual accrual rate for employees subject to the Memorandum of Understanding by and between the City and the Dana Point City Employees Association, and for all employees subject to the City's Personnel Rules and Regulations.

All leave benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are liquidated by the General Fund.

**NOTE 6: LEASES PAYABLE**

The following is a summary of the lease payable activity for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Leases payable	\$ 220,638	\$ 319,297	\$ (117,327)	\$ 422,608	\$ 113,944

The City has entered into various lease agreements for the use of equipment, vehicles, and parking lots. As of June 30, 2024, the value of the lease liability is \$422,608 with interest rates ranging from 0.62% to 2.10%. The City is required to make annual payments on the leases ranging from \$1,688 to \$16,920, quarterly lease payments of \$563, and monthly lease payments of \$992. The values of the lease assets are \$677,991 and have an accumulated amortization of \$285,627 as of June 30, 2024.

The combined future principal and interest payments of the leases as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 113,944	\$ 9,864	\$ 123,808
2026	110,625	7,380	118,005
2027	74,201	5,037	79,238
2028	65,773	3,009	68,782
2029	58,065	733	58,798
Total	\$ 422,608	\$ 26,023	\$ 448,631

**NOTE 7: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The following is a summary of the subscription-based IT payable activity for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Subscription-based IT payable	\$ 404,764	\$ 45,914	\$ (234,045)	\$ 216,633	\$ 142,315



**NOTE 7: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)**

The City has entered into subscription-based information technology (IT) arrangements with various vendors. These arrangements are governed by Governmental Accounting Standards Board Statement No. 96, Subscription-Based IT Arrangements.

As of June 30, 2024, the City has recognized a liability of \$216,633 related to these subscription-based IT arrangements. This liability represents the total estimated cost of the remaining subscription period, as determined by the contract terms and usage data.

The City has also recognized an intangible asset of \$826,661, representing the right to use the subscription-based IT arrangements for the remaining subscription period, as determined by the contract terms and usage data and have an accumulated amortization of \$528,243 as of June 30, 2024.

The annual debt service requirements for the SBITAs outstanding at June 30, 2024 are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 142,315	\$ 3,858	\$146,173
2026	40,331	1,845	42,176
2027	16,703	1,184	17,887
2028	17,284	602	17,886
Total	<u>\$ 216,633</u>	<u>\$ 7,489</u>	<u>\$224,122</u>

**NOTE 8: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN**

***Plan Description***

The City administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees, but only to the extent they are legally mandated under California's Public Employee Medical and Hospital Care Act (PEMHCA). Under PEMHCA, participants in the CalPERS health medical program, in which the City participates, are required to make contributions for medical care. In order for a retiree to be eligible for a City contribution toward the retirees medical care, they must (1) separate from the city and retire from CalPERS within 120 days; (2) receive a monthly retirement allowance from CalPERS; and (3) be eligible for health benefits at separation. If the retiree meets all three criteria, then the City is required to make monthly payments which are credited against the retirees' cost of continued health insurance through the CalPERS health system. For the calendar year ended 2024, the City's mandated contribution rate was \$157 per month per eligible retiree. The contribution rate is adjusted annually by the State of California based on the medical care component of the Consumer Price Index. A separate report is not issued for the plan. The City has not established a trust for the purpose of holding assets accumulated for plan benefits.

***Employees Covered***

As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	64
Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to, but not yet received benefits	16
	<u>93</u>

NOTE 8: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

The contribution requirements of the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as monthly PEMHCA contributions for eligible retiree's cost become due). For the fiscal year ended June 30, 2024, the City's contributions included \$21,118 for benefit payments, \$387 administrative expenses, and \$19,015 for the implied subsidy resulting in total contributions of \$40,520.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	4.13%
Inflation	2.50%
Salary Increases	2.75%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Healthcare Trend Rate	Non-Medicare 8.50% for 2024 decreasing to 3.45% in 2076 Medicare 7.50% for 2024 decreasing to 3.45% in 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13 percent based on the S&P Municipal Bond 20 Year Index.

Changes in Total OPEB Liability

The changes in the total OPEB liability are as follows:

	Total OPEB Liability (a)
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 1,092,848
Changes recognized the measurement period:	
Service Cost	92,458
Interest	47,792
Changes of assumptions	(6,352)
Benefits payments	(33,594)
Net Changes	100,304
Balance at June 30, 2024 (Measurement Date of June 30, 2023)	\$ 1,193,152

**NOTE 8: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total 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, 2024:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 1,368,440	\$ 1,193,152	\$ 1,049,506

***Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the total 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, 2024:

	1% Decrease (7.50% Non- Medicare/6.50% Medicare decreasing to 2.45% Non- Medicare/Medicare)	Current Healthcare Cost Trend Rates (8.50% Non- Medicare/7.50% Medicare decreasing to 3.45% Non- Medicare/Medicare)	1% Increase (9.50% Non- Medicare/8.50% Medicare decreasing to 3.45 Non- Medicare/Medicare)
Total OPEB Liability	\$ 1,009,138	\$ 1,193,152	\$ 1,426,983

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

**NOTE 8: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

The recognition period differs depending on the source of the gain or loss:

Changes of assumptions	<ul style="list-style-type: none"> <li>Discount rate was updated based on municipal bond rate as of the measurement date.</li> <li>Salary increases 2.75% annually</li> <li>Demographic assumptions were updated to CalPERS 2000-2019 Experience Study.</li> <li>New medical and PEMHCA minimum increase trend.</li> <li>Mortality improvement scale was updated to Scale MP-2021.</li> </ul>
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***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$13,354. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 40,520	\$ -
Changes in assumptions	114,684	565,148
Differences between expected and actual experience	-	342,552
Total	<u>\$ 155,204</u>	<u>\$ 907,700</u>

The \$40,520 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ (127,187)
2026	(127,187)
2027	(122,306)
2028	(102,419)
2029	(83,556)
Thereafter	(230,361)
Total	<u>\$ (793,016)</u>

**NOTE 9: COST-SHARING EMPLOYER PENSION PLAN**

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

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Classic Prior to January 1, 2013	New Member - PEPRA On or after January 1, 2013
Hire Date		
Formula	2% @55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7.000%	7.750%
Required employer contribution rates	12.470%	7.680%

**Contributions** – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the plan 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 rates of employees.

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the collective net pension liability as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Measurement Date:			
Balance at: 6/30/2022	\$ 37,342,128	\$ 29,207,801	\$ 8,134,327
Balance at: 6/30/2023	39,692,872	32,781,396	6,911,476
Net Changes During 2022-23	<u>\$ 2,350,744</u>	<u>\$ 3,573,595</u>	<u>\$ (1,222,851)</u>

**NOTE 9: COST-SHARING EMPLOYER PENSION PLAN (CONTINUED)**

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)***

The City's net pension liability for the Plan was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The City's net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to June 30, 2023 using standard actuarial procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportion of the collective net pension liability as of measurement dates June 30, 2022, and 2023 was as follows:

Proportion - June 30, 2022	0.07042%
Proportion - June 30, 2023	<u>0.05540%</u>
Change - Increase (Decrease)	<u>-0.01502%</u>

***Actuarial Assumptions*** – The total pension liabilities in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Post contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)***

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

**NOTE 9: COST-SHARING EMPLOYER PENSION PLAN (CONTINUED)**

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

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1, 2</sup>
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

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

(2) Figures are based on the 2021-22 Asset Liability Management study.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 6.90%, as well as what the City's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$ 12,279,768	\$ 6,911,476	\$ 2,492,911

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

**Recognition of Gains and Losses** – Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected	5-year straight-line amortization and actual earnings
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

**NOTE 9: COST-SHARING EMPLOYER PENSION PLAN (CONTINUED)**

The expected average remaining service lifetime (EARSL) for PERF C for the measurement date ending June 30, 2022, is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized a pension expense of \$2,181,805. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 2,936,293	\$ -
Differences between expected and actual experience	353,076	54,771
Changes in assumptions	417,277	-
Changes in proportion and difference between City's contributions and proportionate share of contributions	1,325,369	278,198
Change in employer's proportion	465,924	885,570
Net difference between projected and actual earnings on pension plan investments	1,119,030	-
	<u>\$ 6,616,969</u>	<u>\$ 1,218,539</u>

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

The amount of \$2,936,293 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 849,321
2026	610,102
2027	970,605
2028	32,109
	<u>\$ 2,462,137</u>

**NOTE 10: BENEFICIAL INTEREST IN ANNUITY**

The City maintains a beneficial interest in an annuity in which the City was identified as the beneficiary. The annuity provides an annual payment of \$30,000 per year for a term of 50 years. The annuity is subject to fair value measurement and is classified as a Level 2 investment valued at \$434,875 at June 30, 2024.



**NOTE 11: JOINTLY GOVERNED ORGANIZATIONS**

*South Orange County Animal Services Authority*

The City is a member of the South Orange County Animal Services Authority (Authority), along with the City of San Clemente. The Authority was established to provide animal control and animal shelter services to the member agencies. The Board of Directors of the Authority is comprised of one representative from each member agency. The City paid \$468,480 for its share of costs, during the fiscal year ended June 30, 2024.

Funding of the Authority's budgeted amounts comes from contributions received from non-profit organizations, with the member agencies paying any portion of unfunded costs allocated to the members in the budget. Separate financial statements of the Authority can be obtained at: San Clemente Animal Shelter, 221 Avenida Fabricante, San Clemente, California 92672.

*Orange County Fire Authority*

In January 1995, the City of Dana Point entered into a joint powers agreement with several other Orange County cities and the County of Orange to create the Orange County Fire Authority (Fire Authority). The purpose of the Fire 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 Fire Authority's governing board consists of one representative from each City and two from the County. The operations of the Fire 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 Santa Ana, Stanton, Tustin, San Clemente, Buena Park, Placentia, and Seal Beach.

The County pays all structural fire fees it collects to the Fire Authority. The Cities of Santa Ana, Stanton, Tustin, San Clemente, Buena Park, Placentia, and Seal Beach are considered "cash contract cities" and make cash contributions based on the Fire Authority's annual budget. No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2024. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. The City paid \$0 for its share of services during the fiscal year ended June 30, 2024. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

*Orange County 800 Megahertz Communications System*

In May 1995, the City of Dana Point entered into a joint powers agreement with thirty other Cities and the County of Orange to create the Orange County 800 MHz Countywide Coordinated Communication System Authority (CCCS Authority). The purpose of the CCCS Authority is to provide an 800 megahertz coordinated law enforcement/public works/fire radio communication system (the 800 MHz CCCS). The CCCS Authority's governing board consists of one representative from each City, two from the County, the elected Sheriff, and one other representative selected by the County Board of Supervisors. Each member is responsible for its percentage interest contribution of the CCCS Authority's annual budget. The percentage interest contribution is calculated based upon each member's equipment purchase divided by the total equipment purchases. The City of Dana Point's percentage contribution was 0.31 percent for the fiscal year ended June 30, 2024. Upon dissolution, all surplus money and property of the CCCS Authority will be conveyed or distributed to each member in proportion to all funds provided to the CCCS Authority by the member during its membership. The City paid \$30,038 for its share of costs during the fiscal year ended June 30, 2024.

**CITY OF DANA POINT, CALIFORNIA**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 12: FUND BALANCES**

Pursuant to GASB Statement No. 54, the City provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable* – amounts that are not in a spendable form (such as prepaid expenditures) or are required to be maintained intact.
- *Restricted* – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- *Committed* – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- *Assigned* – amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned* – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. The City Council has not delegated authority to assign fund balance and therefore, only the City Council can assign fund balance.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The following table summarizes the City's fund balance:

	General Fund	Capital Improvements Fund	Nonmajor Funds	Totals
Nonspendable:				
Prepaid expenditures	\$ 273,043	\$ -	\$ -	\$ 273,043
Restricted:				
Public works	-	-	5,218,897	5,218,897
Public safety	-	-	93,667	93,667
Parks and recreation	-	-	234,326	234,326
ESHA maintenance	-	-	259,019	259,019
Art in public places	12,446	-	-	12,446
Tourism business improvement	-	-	478,625	478,625
Section 115 trust	4,413,623	-	-	4,413,623
Subtotal	4,426,069	-	6,284,534	10,710,603
Assigned	11,682,370	20,770,276	2,817,956	35,270,602
Unassigned	11,828,631	-	-	11,828,631
Total Fund Balance	\$ 28,210,113	\$ 20,770,276	\$ 9,102,490	\$ 58,082,879

**Restricted Fund Balances:**

- Public Works balances may be used to fund maintenance of the Community Facilities District (CFD) and street repairs and maintenance.
- Public Safety balances may be used to supplement law enforcement services.
- Parks and Recreation balances may be used to acquire, construct or improve City parks.

**NOTE 12: FUND BALANCES (CONTINUED)**

- ESHA maintenance balances may be used to fund maintenance of the environmentally sensitive habitat area in the Headlands.
- Art in Public Places balances may be used to fund new public art displays.
- Tourism business improvement balances may be used to fund marketing activities to promote the City of Dana Point as an overnight destination.
- Facilities Improvement balances may be used to provide public, educational, and government access channels.
- Section 115 trust balances may be used to pay pension obligations.

Assigned Fund Balances:

Assigned fund balances consist of the following designated reserve accounts at June 30, 2024:

- Economic Stability Reserve – balance of \$5,113,020 in the General Fund.
- Extreme Event Reserve – balance of \$4,183,380 in the General Fund.
- Special Purpose Reserve – balance of \$2,385,970 in the General Fund designated for an update to the City's General Plan.
- Doheny Village Improvements Reserve – balance of \$606,145 in the Capital Improvements Fund.
- Community Investment Reserve – balance of \$13,190,578 in the Capital Improvements Fund.
- Undesignated – balance of \$7,033,553 in the Capital Improvements Fund.
- Undesignated – balance of \$2,830,136 in the nonmajor funds.

The Capital Projects balance may be used for future repair and/or replacement of capital infrastructure.

Minimum Fund Balance Policy:

The City maintains the following fund balance reserves that were formally established for the General Fund by the City Council:

- Economic Stability Reserve – This reserve was established to protect and preserve City services from dramatic drops in General Fund revenues that are highly sensitive to economic conditions, mainly transient occupancy tax. This designation is set at an amount equal to 11 percent of budgeted General Fund operating revenues. The current year amount is \$5,113,020.
- Extreme Event Reserve – This reserve was established to ensure quick and decisive response to man-made or natural extreme events. This reserve could fund the initial public safety response or repairs and reconstruction of public property required in the aftermath of an event. This designation is set at an amount equal to nine percent of budgeted General Fund operating revenues. The current year amount is \$4,183,380.
- Unassigned Fund Balance – Though not a designated reserve, the City aims to maintain an amount in the range of four percent to seven percent of budgeted General Fund operating revenue to ensure smooth operations through normal differences between the timing of the City's revenue inflows and expenditure outflows.

The economic stability reserve and extreme event reserve are included in the assigned classification.

**NOTE 13: RISK MANAGEMENT PROGRAM**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City accounts for all risk management activities in the General Fund.

**NOTE 13: RISK MANAGEMENT PROGRAM (CONTINUED)**

*Description of Self-Insurance Pool Pursuant to Joint Powers Agreement*

The City of Dana Point is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA 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. The City's share of the CJPIA's assets, liabilities, and equities is not available. Separate financial statements of CJPIA may be obtained at: 8081 Moody St., La Palma, California 90623.

**Liability** - Each member pays an annual contribution 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 adjustment. The total funding requirement for primary 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.

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 \$40 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: <https://cjpia.org/protection/coverage-programs>.

**Workers' Compensation** - Claims are pooled separately between public safety (police and fire) 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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

***Purchased Insurance***

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

**NOTE 13: RISK MANAGEMENT PROGRAM (CONTINUED)**

**Property Insurance** - The City of Dana Point participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Dana Point property is currently insured according to a schedule of covered property submitted by the City of Dana Point to the Authority. City of Dana Point property currently has all-risk property insurance protection in the amount of \$38,277,667. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**Crime Insurance** - The City of Dana Point purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

***Adequacy of Protection***

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the current year.

CJPIA premiums for fiscal year 2024 were \$875,376. Since claims are paid by the CJPIA and, in effect, charged back to the City via future insurance deposits, no long-term liability for claims has been recorded.

**NOTE 14: CONTINGENCIES**

As a CJPIA member (see Note 13), the City is insured for claims and judgments resulting from the normal operations of the City. Material losses not covered by the CJPIA program would be paid from unassigned fund balances designated for extreme events and economic stability, which were \$4,183,380 and \$5,113,020, respectively, as of June 30, 2024, and/or other unassigned fund balances. Immaterial uninsured claims would be paid from routine operating revenues. There were no uninsured claims paid by the City as of June 30, 2024.

The City is a defendant in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

The City receives financial assistance from federal, state and local governmental agencies in the form of grants and allocations. The disbursement of funds received under these programs requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of the City's management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at June 30, 2024.

**NOTE 15: COMMUNITY FACILITIES DISTRICT BONDS**

Included within the City is Community Facilities District No. 2006-1 of the City of Dana Point (CFD), which was formed pursuant to the Mello-Roos Community Facilities Act of 1982 for the purpose of financing the acquisition and/or construction of certain public improvements in the area of the City, known as The Headlands. The CFD is authorized to issue up to \$45 million of debt, which is to be repaid from revenues generated by special taxes levied on the taxable property within the CFD.

**NOTE 15: COMMUNITY FACILITIES DISTRICT BONDS (CONTINUED)**

On August 5, 2020, the CFD sold 2020A and 2020B Special Tax Refunding Bonds totaling \$13,075,000 and \$26,430,000 of aggregate principal. The bonds were issued to refund the 2006-1, the 2013 Special Tax Bonds and the 2014 Special Tax Bonds. The bonds mature in increments over a 30-year period. The bonds are not general obligations of the City, and neither the faith nor the taxing power of the City is pledged to the payments of these bonds. Therefore, the bonds are not recorded as liabilities of the City. The City has no obligation beyond the balances in the custodial fund for any delinquent CFD bond payments. The bonds are limited obligations of the CFD payable solely from the special tax or funds held pursuant to the bond indenture agreement. The principal amount of bonds outstanding as of June 30, 2024 for the 2020A Bonds and 2020B Bonds were \$11,740,000 and \$23,090,000.

**NOTE 16: DESTINATION MARKETING ORGANIZATION**

On May 17, 2016, the City executed an operating agreement with a Destination Marketing Organization (DMO) (dba Visit Dana Point). The DMO provides tourism related services on behalf of the City's Tourism Business Improvement District (TBID). The DMO, utilizing funding provided by the TBID, will carry out functions consistent with allowable uses of TBID funds. Visit Dana Point is a legally separate non-profit 501(c)(6) entity. During the year ended June 30, 2024, the City remitted \$1,819,047 to Visit Dana Point under the terms of the operating agreement.

**NOTE 17: PRIOR PERIOD ADJUSTMENTS**

**B. Change in Accounting Principle in Previously Issued Financial Statements**

During fiscal year 2024, the City determined that the custodial fund lacked a "Due to bondholders" liability for the amount currently held by the fund for payment.

**D. Adjustments to and Restatements of Beginning Balances**

During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning net position as follows:

	June 30, 2023 As Previously Reported	Change in Accounting Principle	June 30, 2023 As Restated
Custodial fund	\$ 6,127,102	\$ (6,127,102)	\$ -

**NOTE 18: SUBSEQUENT EVENTS**

The City evaluated subsequent events for recognition and disclosure through November 19, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



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**CITY OF DANA POINT, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 41,570,000	\$ 42,170,000	\$ 43,388,285	\$ 1,218,285
Licenses, fees, and permits	1,778,000	2,433,456	2,453,577	20,121
Fines , forfeitures, and penalties	320,000	500,000	564,502	64,502
Intergovernmental	356,000	537,520	990,483	452,963
Charges for services	1,865,000	2,219,670	2,506,573	286,903
Investment earnings (losses)	509,000	1,184,000	3,100,607	1,916,607
Other	84,000	67,000	108,055	41,055
<b>Total revenues</b>	<b>46,482,000</b>	<b>49,111,646</b>	<b>53,112,082</b>	<b>4,000,436</b>
<b>EXPENDITURES</b>				
Current:				
General government	9,238,900	11,574,426	10,759,875	814,551
Public safety	15,260,100	14,808,863	14,632,102	176,761
Community development	4,807,200	7,345,664	5,445,184	1,900,480
Parks and recreation	6,625,900	7,141,558	6,757,377	384,181
Public works	7,172,600	7,804,518	7,189,589	614,929
Capital outlay	-	93,300	58,695	34,605
Debt service:				
Principal	-	-	351,372	(351,372)
Interest	-	-	14,677	(14,677)
<b>Total expenditures</b>	<b>43,104,700</b>	<b>48,768,329</b>	<b>45,208,871</b>	<b>3,559,458</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,377,300</b>	<b>343,317</b>	<b>7,903,211</b>	<b>7,559,894</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out (note 3)	(3,285,000)	(7,042,281)	(7,042,281)	-
Leases and subscriptions	-	-	365,211	365,211
<b>Total other financing sources (uses)</b>	<b>(3,285,000)</b>	<b>(7,042,281)</b>	<b>(6,677,070)</b>	<b>365,211</b>
<b>Net change in fund balances</b>	<b>\$ 92,300</b>	<b>\$ (6,698,964)</b>	<b>1,226,141</b>	<b>\$ 7,925,105</b>
Fund balances-beginning			26,983,972	
<b>Fund balances (deficit)-ending</b>			<b>\$ 28,210,113</b>	

**CITY OF DANA POINT, CALIFORNIA**  
**Schedules of Proportionate Share of Net Pension Liability**  
**As of June 30, for the Last Ten Fiscal Years**

<b>Reporting Date <sup>2</sup> as of June 30,</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a % of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a % of the Total Pension Liability</b>
<b><u>Cost-Sharing Employer Pension Plan</u></b>					
2024	0.0554%	\$ 6,911,476	\$ 6,967,022	99.2%	77.97%
2023	0.0704%	8,134,327	6,674,399	121.9%	78.22%
2022	0.0520%	2,810,520	6,148,790	45.7%	88.29%
2021	0.0597%	6,492,166	5,701,804	113.9%	75.10%
2020	0.0563%	5,771,461	5,550,541	104.0%	75.26%
2019	0.0529%	5,095,369	5,692,626	89.5%	89.51%
2018	0.0528%	5,236,362	5,812,702	90.1%	90.08%
2017	0.0497%	4,298,490	5,495,749	78.2%	78.21%
2016	0.0446%	3,062,851	5,360,064	57.1%	57.14%
2015	0.0478%	2,971,518	5,020,186	59.2%	59.19%

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

*Benefit Changes* : None

*Changes of Assumptions* : None

*2 The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.*

**CITY OF DANA POINT, CALIFORNIA**  
**Schedules of Pension Contributions**  
**As of June 30, for the Last Ten Fiscal Years**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered/ Covered- Employee Payroll</b>	<b>Contribution as a % of Covered Payroll</b>
2024	\$ 2,936,293	\$ 2,936,293	\$ -	\$ 6,765,213	43.4%
2023	1,161,494	1,161,494	-	6,967,022	16.7%
2022	1,028,881	1,028,881	-	6,674,399	15.4%
2021	942,709	942,709	-	6,148,790	15.3%
2020	847,824	847,824	-	5,701,840	14.9%
2019	740,130	740,130	-	5,550,541	13.3%
2018	665,655	665,655	-	5,692,626	11.7%
2017	637,976	637,976	-	5,812,702	11.0%
2016	572,235	572,235	-	5,495,749	10.4%
2015	598,530	598,530	-	5,360,064	11.2%

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Fair Value
Discount Rate	6.90%
Projected Salary	Varies by entry age and service
Inflation	2.30%
Payroll Growth	2.30%

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

Changes in Assumptions: There were no assumption changes in 2023.

**CITY OF DANA POINT, CALIFORNIA**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Measurement Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 92,458	\$ 160,180	\$ 138,910	\$ 134,620
Interest on total pension liability	47,792	39,432	40,343	45,859
Changes of assumptions	(6,352)	(572,190)	129,384	(3,350)
Difference between expected and actual experience	-	(165,005)	-	(271,325)
Benefit payments, including refunds of employee contributions	<u>(33,594)</u>	<u>(36,419)</u>	<u>(39,052)</u>	<u>(35,200)</u>
<b>Net change in total OPEB liability</b>	<b>100,304</b>	<b>(574,002)</b>	<b>269,585</b>	<b>(129,396)</b>
Total OPEB liability-beginning	<u>1,092,848</u>	<u>1,666,850</u>	<u>1,397,265</u>	<u>1,526,661</u>
<b>Total OPEB liability-ending (a)</b>	<b><u>\$ 1,193,152</u></b>	<b><u>\$ 1,092,848</u></b>	<b><u>\$ 1,666,850</u></b>	<b><u>\$ 1,397,265</u></b>
Covered-employee payroll	\$ 7,205,386	\$ 6,877,959	\$ 6,148,790	\$ 6,322,346
<b>Plan net OPEB liability/(asset) as a percentage of covered-employee payroll</b>	<b>16.56%</b>	<b>15.89%</b>	<b>27.11%</b>	<b>22.10%</b>

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

*Benefit Changes*: None

*Changes of Assumptions*: None

<sup>1</sup> Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

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<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
\$ 125,131	\$ 144,151	\$ 154,966
43,263	50,341	42,429
46,250	(178,149)	(117,109)
-	(123,602)	-
(29,298)	(31,211)	(22,392)
<b>185,346</b>	<b>(138,470)</b>	<b>57,894</b>
1,341,315	1,479,785	1,421,891
<b>\$ 1,526,661</b>	<b>\$ 1,341,315</b>	<b>\$ 1,479,785</b>
\$ 6,158,101	\$ 6,259,507	\$ 6,652,016
<b>24.79%</b>	<b>21.43%</b>	<b>22.25%</b>

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## **SUPPLEMENTARY INFORMATION**



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**CITY OF DANA POINT  
Major Capital Projects Fund  
For the Year Ended June 30, 2024**

The City of Dana Point has established the following major capital projects fund to account for resources used for the acquisition or construction of major capital facilities:

Capital Improvements Fund

Used to account for the acquisition, construction and improvement of capital facilities financed by grants and operating transfers from the General Fund, Gas Tax Fund, Road Maintenance and Rehabilitation Fund, and Measure M Fund.

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CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Capital Improvements  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Investment Earnings	-	-	369,998	369,998
<b>Total revenues</b>	<b>200,000</b>	<b>200,000</b>	<b>369,998</b>	<b>169,998</b>
<b>EXPENDITURES</b>				
Capital Outlay	8,946,000	16,700,679	7,288,094	9,412,585
<b>Total expenditures</b>	<b>8,946,000</b>	<b>16,700,679</b>	<b>7,288,094</b>	<b>9,412,585</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(8,746,000)</b>	<b>(16,500,679)</b>	<b>(6,918,096)</b>	<b>9,582,583</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,325,000	10,089,689	7,198,142	(2,891,547)
<b>Total other financing sources (uses)</b>	<b>5,325,000</b>	<b>10,089,689</b>	<b>7,198,142</b>	<b>(2,891,547)</b>
<b>Net change in fund balances</b>	<b>\$ (3,421,000)</b>	<b>\$ (6,410,990)</b>	<b>280,046</b>	<b>\$ 6,691,036</b>
Fund balances (deficit)-beginning			20,490,230	
<b>Fund balances (deficit)-ending</b>			<b>\$ 20,770,276</b>	

**CITY OF DANA POINT**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

The City of Dana Point has established the following nonmajor special revenue funds which are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes:

Gasoline Tax Fund	Used to account for revenues collected as the City's share of State gasoline taxes, pursuant to the California State Constitution and authorized by the State Legislature. All associated street repairs and maintenance expenditures are accounted for in the General Fund and Capital Improvements Fund. Accordingly, gasoline tax revenues are transferred from the Gasoline Tax Fund to the General Fund and Capital Improvements Fund.
Road Maintenance and Rehabilitation Fund	Used to account for additional gas tax revenues to rebuild neighborhood streets, freeways and bridges.
Measure M Fund	Used to account for revenues collected pursuant to Measure M, a half-cent sales tax increase approved by Orange County voters in 1990 (M1), and again in 2006 (M2). Measure M funds are restricted to use for transportation improvements made within the County. Transportation-related improvements are accounted for in the Capital Improvements Fund. Accordingly, Measure M revenues are transferred to the Capital Improvements Fund.
Supplemental Law Enforcement Services Fund	Used to account for revenues collected pursuant to California Assembly Bill AB3229 which was passed in 1996. Known as the COPS program (Citizens' Option for Public Safety), it provides funds to cities and counties restricted for use in supplementing law enforcement services.
Coastal Transit Fund	Used to account for revenues collected from the California Coastal Commission restricted for the purpose of providing coastal recreational transit services. Funds will be used to provide a summer and special events shuttle service to and from the beach and harbor areas.
AB 2766 Fund	Used to account for funds received pursuant to the California Clean Air Act. Under this Act, the South Coast Air Quality Management District distributes fees generated from motor vehicle registrations to local jurisdictions that are restricted for use in developing programs to reduce mobile sources of air pollution.

**CITY OF DANA POINT**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

Environmentally Sensitive Habitat  
Areas (ESHA) Maintenance Fund

Used to account for revenues received pursuant to a developer agreement establishing a funding mechanism for maintenance of the Headlands Area. The developer paid \$180,000 in fiscal year 2013 to establish this fund and has an annuity contract that provides an additional \$30,000 per year for 50 years, to satisfy the non-wasting endowment requirement provided in the Development Agreement.

Tourism Business Improvement  
District Fund

Used to account for the levy of \$3 per occupied room night subject to transient occupancy tax to be used for marketing activities to promote the City of Dana Point as an overnight tourism destination.

Headlands Habitat (ESHA) Maintenance  
Fund

Used to account for special tax revenues assessed on properties located within the Community Facilities District 2006-1 of the City of Dana Point which are restricted for the maintenance of certain public facilities within the District boundaries.

The City has established the following nonmajor capital projects funds to account for resources used for acquisition or construction of major capital facilities:

Facilities Improvement Fund

Used to account for major improvements or rehabilitation of City facilities financed by operating transfers from other City funds. Park Development Fund Used to account for the acquisition, construction and improvement of park sites financed by developer contributions.

CITY OF DANA POINT, CALIFORNIA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds			
	Gasoline Tax	Road and Maintenance and Rehabilitation	Measure M	Supplemental Law Enforcement Services
<b>ASSETS</b>				
Cash and investments	\$ 1,210,211	\$ 1,450,892	\$ 1,112,090	\$ 116,397
Beneficial interest in annuity	-	-	-	-
Receivables:				
Accounts	-	-	140,777	-
Intergovernmental	78,825	149,144	-	-
<b>Total assets</b>	<b>\$ 1,289,036</b>	<b>\$ 1,600,036</b>	<b>\$ 1,252,867</b>	<b>\$ 116,397</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 229	\$ 22,730
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>229</b>	<b>22,730</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - Unavailable Revenues	-	-	-	-
Deferred Inflows - Beneficial interest	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,289,036	1,600,036	233,468	93,667
Assigned	-	-	1,019,170	-
<b>Total fund balances (deficits)</b>	<b>1,289,036</b>	<b>1,600,036</b>	<b>1,252,638</b>	<b>93,667</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,289,036</b>	<b>\$ 1,600,036</b>	<b>\$ 1,252,867</b>	<b>\$ 116,397</b>

	Special Revenue Funds			
	Coastal Transit	AB 2766	Headlands (ESHA) Maintenance	Tourism Business Improvement District
<b>ASSETS</b>				
Cash and investments	\$ 506,127	\$ 259,019	\$ 337,155	\$ 478,625
Beneficial interest in annuity	-	-	434,875	-
Receivables:				
Accounts	768,834	-	-	168,594
Intergovernmental	-	11,154	-	-
<b>Total assets</b>	<b>\$ 1,274,961</b>	<b>\$ 270,173</b>	<b>\$ 772,030</b>	<b>\$ 647,219</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 230,770	\$ -	\$ -	\$ 168,594
<b>Total liabilities</b>	<b>230,770</b>	<b>-</b>	<b>-</b>	<b>168,594</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - Unavailable Revenues	-	11,154	-	-
Deferred Inflows - Beneficial interest	-	-	434,875	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>11,154</b>	<b>434,875</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,044,191	259,019	337,155	478,625
Assigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,044,191</b>	<b>259,019</b>	<b>337,155</b>	<b>478,625</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,274,961</b>	<b>\$ 270,173</b>	<b>\$ 772,030</b>	<b>\$ 647,219</b>



CITY OF DANA POINT, CALIFORNIA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Fund	Capital Projects Funds		
	Headlands CFD 2006-1 Maintenance	Facilities Improvement	Park Development	Total Nonmajor Funds
<b>ASSETS</b>				
Cash and investments	\$ 843,246	\$ 2,112,590	\$ 858	\$ 8,427,210
Beneficial interest in annuity	-	-	-	434,875
Receivables:				
Accounts	6,802	25,794	-	1,110,801
Intergovernmental	-	-	-	239,123
<b>Total assets</b>	<b>\$ 850,048</b>	<b>\$ 2,138,384</b>	<b>\$ 858</b>	<b>\$ 10,212,009</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 22,914	\$ 218,253	\$ -	\$ 663,490
<b>Total liabilities</b>	<b>22,914</b>	<b>218,253</b>	<b>-</b>	<b>663,490</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - Unavailable Revenues	-	-	-	11,154
Deferred Inflows - Beneficial interest	-	-	-	434,875
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>446,029</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	827,134	121,345	858	6,284,534
Assigned	-	1,798,786	-	2,817,956
<b>Total fund balances (deficits)</b>	<b>827,134</b>	<b>1,920,131</b>	<b>858</b>	<b>9,102,490</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 850,048</b>	<b>\$ 2,138,384</b>	<b>\$ 858</b>	<b>\$ 10,212,009</b>

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**CITY OF DANA POINT, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds			
	Gasoline Tax	Road and Maintenance and Rehabilitation	Measure M	Supplemental Law Enforcement Services
<b>REVENUES</b>				
Taxes	\$ 914,084	\$ 855,780	\$ 811,905	\$ -
Intergovernmental	-	-	71,691	186,159
Charges for services	-	-	-	420
Investment earnings (losses)	47,146	17,703	57,608	6,496
<b>Total revenues</b>	<b>961,230</b>	<b>873,483</b>	<b>941,204</b>	<b>193,075</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	217,253
Community development	-	-	-	-
Parks and recreation	-	-	53,742	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>53,742</b>	<b>217,253</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>961,230</b>	<b>873,483</b>	<b>887,462</b>	<b>(24,178)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(847,078)	(166,510)	(877,273)	-
<b>Total other financing sources (uses)</b>	<b>(847,078)</b>	<b>(166,510)</b>	<b>(877,273)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>114,152</b>	<b>706,973</b>	<b>10,189</b>	<b>(24,178)</b>
Fund balances-beginning	1,174,884	893,063	1,242,449	117,845
<b>Fund balances -ending</b>	<b>\$ 1,289,036</b>	<b>\$ 1,600,036</b>	<b>\$ 1,252,638</b>	<b>\$ 93,667</b>

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

(CONTINUED)

	Special Revenue Funds			
	Coastal Transit	AB 2766	Headlands (ESHA) Maintenance	Tourism Business Improvement District
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,812,041
Intergovernmental	1,203,976	33,443	-	-
Charges for services	-	-	-	-
Investment earnings (losses)	26,507	17,196	41,198	17,800
<b>Total revenues</b>	<b>1,230,483</b>	<b>50,639</b>	<b>41,198</b>	<b>1,829,841</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	1,812,041
Parks and recreation	-	-	15,000	-
Public works	943,299	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>943,299</b>	<b>-</b>	<b>15,000</b>	<b>1,812,041</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>287,184</b>	<b>50,639</b>	<b>26,198</b>	<b>17,800</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	475,000	-	-	-
Transfers out	-	(240,000)	-	-
<b>Total other financing sources (uses)</b>	<b>475,000</b>	<b>(240,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>762,184</b>	<b>(189,361)</b>	<b>26,198</b>	<b>17,800</b>
Fund balances-beginning	282,007	448,380	310,957	460,825
<b>Fund balances -ending</b>	<b>\$ 1,044,191</b>	<b>\$ 259,019</b>	<b>\$ 337,155</b>	<b>\$ 478,625</b>

**CITY OF DANA POINT, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>		
	<b>Headlands CFD 2006-1 Maintenance</b>	<b>Facilities Improvement</b>	<b>Park Development</b>	<b>Total Nonmajor Funds</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 104,874	\$ -	\$ 4,498,684
Intergovernmental	-	-	-	1,495,269
Charges for services	382,815	-	-	383,235
Investment earnings (losses)	21,975	-	32	253,661
<b>Total revenues</b>	<b>404,790</b>	<b>104,874</b>	<b>32</b>	<b>6,630,849</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	217,253
Community development	-	-	-	1,812,041
Parks and recreation	-	-	-	68,742
Public works	216,028	-	-	1,159,327
Capital outlay	-	1,440,564	-	1,440,564
<b>Total expenditures</b>	<b>216,028</b>	<b>1,440,564</b>	<b>-</b>	<b>4,697,927</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>188,762</b>	<b>(1,335,690)</b>	<b>32</b>	<b>1,932,922</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,500,000	-	1,975,000
Transfers out	-	-	-	(2,130,861)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>(155,861)</b>
<b>Net change in fund balances</b>	<b>188,762</b>	<b>164,310</b>	<b>32</b>	<b>1,777,061</b>
Fund balances-beginning	638,372	1,755,821	826	7,325,429
<b>Fund balances -ending</b>	<b>\$ 827,134</b>	<b>\$ 1,920,131</b>	<b>\$ 858</b>	<b>\$ 9,102,490</b>

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Gasoline Tax  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 951,000	\$ 951,000	\$ 914,084	\$ (36,916)
Investment Earnings	25,000	25,000	47,146	22,146
<b>Total revenues</b>	<b>976,000</b>	<b>976,000</b>	<b>961,230</b>	<b>(14,770)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,025,000)	(1,875,000)	(847,078)	1,027,922
<b>Total other financing sources (uses)</b>	<b>(1,025,000)</b>	<b>(1,875,000)</b>	<b>(847,078)</b>	<b>1,027,922</b>
<b>Net change in fund balances</b>	<b>\$ (49,000)</b>	<b>\$ (899,000)</b>	<b>114,152</b>	<b>\$ 1,013,152</b>
Fund balances (deficit)-beginning			1,174,884	
<b>Fund balances (deficit)-ending</b>			<b>\$ 1,289,036</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Road and Maintenance and Rehabilitation  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 819,000	\$ 819,000	\$ 855,780	\$ 36,780
Investment Earnings	10,000	10,000	17,703	7,703
<b>Total revenues</b>	<b>829,000</b>	<b>829,000</b>	<b>873,483</b>	<b>44,483</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(750,000)	(1,363,000)	(166,510)	1,196,490
<b>Total other financing sources (uses)</b>	<b>(750,000)</b>	<b>(1,363,000)</b>	<b>(166,510)</b>	<b>1,196,490</b>
<b>Net change in fund balances</b>	<b>\$ 79,000</b>	<b>\$ (534,000)</b>	<b>706,973</b>	<b>\$ 1,240,973</b>
Fund balances (deficit)-beginning			893,063	
<b>Fund balances (deficit)-ending</b>			<b>\$ 1,600,036</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Measure M  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 852,000	\$ 852,000	\$ 811,905	\$ (40,095)
Intergovernmental Revenues	74,000	74,000	71,691	(2,309)
Investment Earnings	25,000	25,000	57,608	32,608
<b>Total revenues</b>	<b>951,000</b>	<b>951,000</b>	<b>941,204</b>	<b>(9,796)</b>
<b>EXPENDITURES</b>				
Current:				
Parks and Recreation	90,000	90,000	53,742	36,258
<b>Total expenditures</b>	<b>90,000</b>	<b>90,000</b>	<b>53,742</b>	<b>36,258</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>861,000</b>	<b>861,000</b>	<b>887,462</b>	<b>26,462</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,000,000)	(1,544,408)	(877,273)	667,135
<b>Total other financing sources (uses)</b>	<b>(1,000,000)</b>	<b>(1,544,408)</b>	<b>(877,273)</b>	<b>667,135</b>
<b>Net change in fund balances</b>	<b>\$ (139,000)</b>	<b>\$ (683,408)</b>	<b>10,189</b>	<b>\$ 693,597</b>
Fund balances (deficit)-beginning			1,242,449	
<b>Fund balances (deficit)-ending</b>			<b>\$ 1,252,638</b>	



CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Supplemental Law Enforcement Services  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ 175,000	\$ 186,159	\$ 11,159
Charges for Services	-	-	420	420
Investment Earnings	-	-	6,496	6,496
<b>Total revenues</b>	<b>-</b>	<b>175,000</b>	<b>193,075</b>	<b>18,075</b>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	285,000	217,253	67,747
<b>Total expenditures</b>	<b>-</b>	<b>285,000</b>	<b>217,253</b>	<b>67,747</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (110,000)</b>	<b>(24,178)</b>	<b>\$ 85,822</b>
Fund balances (deficit)-beginning			117,845	
<b>Fund balances (deficit)-ending</b>			<b>\$ 93,667</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Coastal Transit  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 840,000	\$ 840,000	\$ 1,203,976	\$ 363,976
Investment Earnings	-	-	26,507	26,507
<b>Total revenues</b>	<b>840,000</b>	<b>840,000</b>	<b>1,230,483</b>	<b>390,483</b>
<b>EXPENDITURES</b>				
Current:				
Public Works	1,100,000	1,100,000	943,299	156,701
<b>Total expenditures</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>943,299</b>	<b>156,701</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(260,000)</b>	<b>(260,000)</b>	<b>287,184</b>	<b>547,184</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	475,000	475,000	475,000	-
<b>Total other financing sources (uses)</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 215,000</b>	<b>\$ 215,000</b>	<b>762,184</b>	<b>\$ 547,184</b>
Fund balances (deficit)-beginning			282,007	
<b>Fund balances (deficit)-ending</b>			<b>\$ 1,044,191</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
AB 2766  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 44,500	\$ 44,500	\$ 33,443	\$ (11,057)
Investment Earnings	8,000	8,000	17,196	9,196
<b>Total revenues</b>	<b>52,500</b>	<b>52,500</b>	<b>50,639</b>	<b>(1,861)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(240,000)	(240,000)	(240,000)	-
<b>Total other financing sources (uses)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (187,500)</b>	<b>\$ (187,500)</b>	<b>(189,361)</b>	<b>\$ (1,861)</b>
Fund balances (deficit)-beginning			448,380	
<b>Fund balances (deficit)-ending</b>			<b>\$ 259,019</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Headlands (ESHA) Maintenance  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 35,000	\$ 35,000	\$ 41,198	\$ 6,198
<b>Total revenues</b>	<b>35,000</b>	<b>35,000</b>	<b>41,198</b>	<b>6,198</b>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	27,000	27,000	15,000	12,000
<b>Total expenditures</b>	<b>27,000</b>	<b>27,000</b>	<b>15,000</b>	<b>12,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,000</b>	<b>8,000</b>	<b>26,198</b>	<b>18,198</b>
<b>Net change in fund balances</b>	<b>\$ 8,000</b>	<b>\$ 8,000</b>	<b>26,198</b>	<b>\$ 18,198</b>
Fund balances (deficit)-beginning			310,957	
<b>Fund balances (deficit)-ending</b>			<b>\$ 337,155</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Tourism Business Improvement District  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,812,041	\$ 62,041
Investment Earnings	1,000	1,000	17,800	16,800
<b>Total revenues</b>	<b>1,751,000</b>	<b>1,751,000</b>	<b>1,829,841</b>	<b>78,841</b>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,750,000	1,812,500	1,812,041	459
<b>Total expenditures</b>	<b>1,750,000</b>	<b>1,812,500</b>	<b>1,812,041</b>	<b>459</b>
<b>Net change in fund balances</b>	<b>\$ 1,000</b>	<b>\$ (61,500)</b>	<b>17,800</b>	<b>\$ 79,300</b>
Fund balances (deficit)-beginning			460,825	
<b>Fund balances (deficit)-ending</b>			<b>\$ 478,625</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Headlands CFD 2006-1 Maintenance  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 344,000	\$ 344,000	\$ 382,815	\$ 38,815
Investment Earnings	3,000	3,000	21,975	18,975
<b>Total revenues</b>	<b>347,000</b>	<b>347,000</b>	<b>404,790</b>	<b>57,790</b>
<b>EXPENDITURES</b>				
Current:				
Public Works	403,800	403,800	216,028	187,772
<b>Total expenditures</b>	<b>403,800</b>	<b>403,800</b>	<b>216,028</b>	<b>187,772</b>
<b>Net change in fund balances</b>	<b>\$ (56,800)</b>	<b>\$ (56,800)</b>	<b>188,762</b>	<b>\$ 245,562</b>
Fund balances (deficit)-beginning			638,372	
<b>Fund balances (deficit)-ending</b>			<b>\$ 827,134</b>	

CITY OF DANA POINT, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Facilities Improvement  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 120,000	\$ 120,000	\$ 104,874	\$ (15,126)
<b>Total revenues</b>	<b>120,000</b>	<b>120,000</b>	<b>104,874</b>	<b>(15,126)</b>
<b>EXPENDITURES</b>				
Capital Outlay	640,700	2,310,339	1,440,564	869,775
<b>Total expenditures</b>	<b>640,700</b>	<b>2,310,339</b>	<b>1,440,564</b>	<b>869,775</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(520,700)</b>	<b>(2,190,339)</b>	<b>(1,335,690)</b>	<b>854,649</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	500,000	1,500,000	1,500,000	-
<b>Total other financing sources (uses)</b>	<b>500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (20,700)</b>	<b>\$ (690,339)</b>	<b>164,310</b>	<b>\$ 854,649</b>
Fund balances (deficit)-beginning			1,755,821	
<b>Fund balances (deficit)-ending</b>			<b>\$ 1,920,131</b>	

## STATISTICAL SECTION



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## STATISTICAL SECTION

This part of the City of Dana Point'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 City's overall financial health.

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

CITY OF DANA POINT  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in Capital Assets										
Restricted	\$ 168,209	\$ 169,925	\$ 168,050	\$ 165,998	\$ 165,798	\$ 163,948	\$ 162,445	\$ 159,189	\$ 156,477	\$ 153,391
Unrestricted	4,631	4,826	4,136	3,838	5,194	4,874	5,499	4,653	5,039	10,710
	24,780	22,522	23,105	24,965	25,876	24,702	27,993	40,786	45,889	43,844
Total governmental activities net position	\$ 197,620	\$ 197,273	\$ 195,291	\$ 194,801	\$ 196,868	\$ 193,524	\$ 195,937	\$ 204,628	\$ 207,405	\$ 207,945

CITY OF DANA POINT  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General Government										
Public Safety	\$ 5,382	\$ 6,368	\$ 6,832	\$ 7,530	\$ 8,051	\$ 7,451	\$ 6,947	\$ 7,334	\$ 10,659	\$ 11,286
Community Development	10,906	11,129	12,117	12,864	13,122	13,591	12,779	13,651	14,526	14,938
Recreation and Parks	4,651	5,031	5,270	4,879	5,713	5,845	6,339	6,044	5,920	7,257
Public Works	6,817	6,298	6,433	6,401	6,099	6,008	5,359	6,033	6,821	7,709
Interest on Long-term Debt	10,321	11,216	12,018	11,161	11,164	13,018	11,600	14,082	13,363	18,368
Capital Outlay	-	-	-	-	-	-	-	4	11	15
	-	-	-	-	-	-	-	-	2,018	-
Total governmental activities expenses	38,077	40,042	42,670	42,835	44,149	45,913	43,024	47,148	53,318	59,573
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	169	191	201	273	593	892	554	544	625	798
Public Safety	195	168	152	269	331	246	273	306	415	347
Community Development	3,311	3,286	3,045	2,656	2,585	2,440	3,065	3,525	3,309	2,978
Recreation and Parks	335	306	270	233	167	125	68	174	204	269
Public Works	980	973	1,054	1,826	1,525	1,328	1,451	1,672	1,638	1,516
Operating grants and contributions	2,037	1,840	1,741	2,365	2,474	2,518	7,799	7,942	3,580	5,027
Capital grants and contributions	173	264	1,054	267	869	646	-	-	-	-
Total governmental activities program revenues	7,200	7,028	7,517	7,889	8,544	8,195	13,210	14,163	9,771	10,935
Total government net revenue (expense)	\$ (30,877)	\$ (33,014)	\$ (35,153)	\$ (34,946)	\$ (35,605)	\$ (37,718)	\$ (29,814)	\$ (32,985)	\$ (43,547)	\$ (48,638)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,731	\$ 7,298	\$ 7,800	\$ 8,532	\$ 8,856	\$ 9,244	\$ 9,679	\$ 10,076	\$ 11,203	\$ 11,537
Franchise taxes	1,405	1,382	1,372	1,530	1,553	1,476	1,489	1,527	1,551	1,458
Sales taxes	4,111	5,316	5,337	5,385	5,891	5,383	5,294	7,062	7,207	6,785
In-lieu property taxes	4,622	3,953	3,756	4,082	4,261	4,468	4,659	4,851	5,291	5,528
Property transfer taxes	439	904	591	553	465	712	1,236	986	555	568
Transient occupancy taxes	12,467	12,091	13,099	13,653	14,157	10,686	8,747	16,195	17,436	17,617
Motor vehicle in-lieu (unrestricted)	-	14	15	-	-	-	-	-	-	-
Other	82	333	8	61	81	177	45	175	118	149
Unrestricted investment earnings	1,119	367	(58)	343	1,400	1,474	130	(836)	1,143	3,724
Tourism business improvement district	-	994	1,027	1,006	1,007	754	947	1,640	1,819	1,812
Special Item	(8)	15	223	-	-	-	-	-	-	-
Total governmental activities	30,968	32,667	33,170	35,145	37,671	34,374	32,226	41,676	46,323	49,178
<b>Change in Net Position</b>	\$ 91	\$ (347)	\$ (1,983)	\$ 199	\$ 2,066	\$ (3,344)	\$ 2,412	\$ 8,691	\$ 2,776	\$ 540

CITY OF DANA POINT  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable										
Restricted	\$ 98	\$ 149	\$ 118	\$ 74	\$ 139	\$ 148	\$ 371	\$ 211	\$ 177	\$ 273
Assigned	118	118	118	-	312	364	278	3,830	4,049	4,426
Unassigned	2,500	2,500	2,500	2,500	12,782	12,668	12,752	8,733	9,201	11,742
Total	15,474	17,397	17,512	18,639	6,069	4,691	9,339	12,387	13,557	11,769
Total General Fund	\$ 18,190	\$ 20,164	\$ 20,248	\$ 21,213	\$ 19,302	\$ 17,871	\$ 22,740	\$ 25,161	\$ 26,984	\$ 28,210
All other governmental funds										
Nonspendable	\$ -	\$ 21	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,514	4,708	4,018	3,650	4,881	4,509	5,221	4,865	5,027	6,285
Assigned	10,530	5,775	6,028	8,122	11,514	12,944	11,969	20,843	22,788	23,588
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(218)	-	-
Total all other governmental funds	\$ 15,044	\$ 10,504	\$ 10,047	\$ 11,772	\$ 16,395	\$ 17,453	\$ 17,190	\$ 25,490	\$ 27,815	\$ 29,873

CITY OF DANA POINT  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 32,437	\$ 33,224	\$ 34,154	\$ 36,237	\$ 38,138	\$ 34,726	\$ 34,016	\$ 44,542	\$ 47,437	\$ 47,887
Licences, fees and permits	1,799	1,935	1,786	2,627	2,250	1,872	2,250	2,292	2,751	2,454
Fines and forfeitures	288	320	328	244	355	683	622	465	541	564
Intergovernmental	558	572	1,091	1,075	1,042	1,175	5,763	5,278	1,709	2,486
Charges for services	2,786	2,620	2,534	2,334	2,559	2,552	2,474	3,393	2,835	2,890
Use of money and property	280	532	103	343	1,400	1,474	130	(836)	1,145	3,724
Contributions from property owners	-	-	-	-	-	-	-	-	150	108
Other	32	270	506	147	187	136	86	208	-	-
Total revenues	38,180	39,473	40,502	43,007	45,931	42,618	45,341	55,342	56,568	60,113
<b>Expenditures</b>										
General government	5,314	6,322	6,538	7,040	7,508	6,690	6,227	7,104	10,345	10,760
Public safety	10,846	11,062	12,013	12,735	13,011	13,500	12,673	13,543	14,418	14,849
Community development	4,627	5,013	5,263	4,821	5,706	5,499	6,069	6,284	6,428	7,257
Recreation and parks	5,337	5,166	5,352	5,422	5,157	5,085	4,471	5,307	6,129	6,826
Public works	6,121	6,714	6,951	6,306	6,332	7,727	6,306	7,701	8,459	8,350
Capital outlay	8,059	7,762	4,758	3,991	5,504	4,489	4,991	5,011	6,309	8,787
Debt service:										
Principal	-	-	-	-	-	-	-	89	320	351
Interest	-	-	-	3	-	-	-	4	12	15
Total expenditures	40,304	42,039	40,875	40,318	43,218	42,990	40,737	45,043	52,420	57,195
Excess of revenues over (under) expenditures	(2,124)	(2,566)	(373)	2,689	2,713	(372)	4,604	10,297	4,148	2,918
<b>Other financing sources (uses)</b>										
Transfers in	9,965	3,997	4,540	6,053	9,011	5,015	4,029	13,690	8,634	9,173
Transfers out	(9,965)	(3,997)	(4,540)	(6,053)	(9,011)	(5,015)	(4,029)	(13,690)	(8,634)	(9,173)
Leases and subscriptions	-	-	-	-	-	-	-	426	-	365
Total other financing sources (uses)	-	-	-	-	-	-	-	426	-	365
Net change in fund balances	\$ (2,124)	\$ (2,566)	\$ (373)	\$ 2,689	\$ 2,713	\$ (372)	\$ 4,604	\$ 10,725	\$ 4,148	\$ 3,283
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	0.6%

CITY OF DANA POINT  
Program Revenue by Function/Program  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General Government										
Public Safety	\$ 223	\$ 237	\$ 495	\$ 348	\$ 593	\$ 892	\$ 5,474	\$ 5,286	\$ 1,147	\$ 1,190
Community Development	580	612	586	804	820	760	647	796	831	803
Recreation and Parks	3,315	3,293	3,054	2,656	2,585	2,440	3,143	3,686	3,440	2,978
Public Works	335	529	694	233	420	179	122	240	276	341
	2,747	2,356	2,688	3,848	4,126	3,924	3,824	4,154	4,078	5,623
Total governmental activities	\$ 7,200	\$ 7,027	\$ 7,517	\$ 7,889	\$ 8,544	\$ 8,195	\$ 13,210	\$ 14,162	\$ 9,772	\$ 10,935

CITY OF DANA POINT  
Tax Revenues By Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Fiscal Year	Property Tax (1)	Franchise Tax	Sales Tax (2)	Gasoline Tax (3)	Measure M Tax	TBID Tax (5)	In-lieu Property Tax (2)	Property Transfer Tax	(TOT) Transient Occupancy Tax (4)	(SB1) Road Maintenance & Rehabilitation Account (6)	Total
2015	\$ 6,731	\$ 1,405	\$ 4,111	\$ 1,059	\$ 551	\$ 1,052 *	\$ 4,622	\$ 439	\$ 12,466	\$ -	\$ 32,436
2016	7,298	1,382	5,315	753	533	994	3,953	904	12,091	-	33,223
2017	7,800	1,372	5,337	646	525	1,027	3,757	591	13,099	-	34,154
2018	8,532	1,530	5,385	721	577	1,006	4,082	553	13,653	198	36,237
2019	8,856	1,553	5,891	707	616	1,007	4,261	465	14,157	625	38,138
2020	9,243	1,477	5,383	788	620	754	4,468	712	10,686	593	34,724
2021	9,679	1,489	5,294	736	610	947	4,659	1,236	8,747	618	34,015
2022	10,076	1,527	7,062	795	738	1,640	4,851	986	16,195	671	44,541
2023	11,203	1,551	7,207	845	789	1,819	5,291	555	17,436	740	54,278
2024	11,537	1,459	6,785	914	812	1,812	5,528	568	17,617	856	47,888

\* Corrected actuals.

- (1) Property taxes are imposed by the County of Orange at a rate of 1% of assessed value, pursuant to Proposition 13. Refer to Direct and Overlapping Property Tax Rate schedule for distribution information.
- (2) Beginning in fiscal 2005 the State of California swapped 25% of the 1% basic sales tax levy allocated to municipalities for in-lieu sales taxes, which represent an equivalent amount of property taxes. Therefore, the City's portion of sales tax was reduced from 1.00% of gross sales to 0.75% of gross sales from 2005, and ended in 2016. The City does not impose a local sales tax.
- (3) Beginning in fiscal 2011 the State of California replaced the Proposition 42 (Transportation Congestion Relief) funds with gasoline tax funds which represents an equivalent amount.
- (4) Transient occupancy tax is imposed by the City at the rate of 10%; beginning in 2014, this revenue includes taxes collected on short-term residential vacation rentals.
- (5) Beginning in fiscal 2013 the method of accounting for the TBID tax collections was changed from an agency fund to a special revenue fund.
- (6) Beginning in fiscal 2018, The City of Dana Point began receiving funding from the State of California for Road Maintenance and Rehabilitation created by Senate Bill (SB)1 .



CITY OF DANA POINT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Year	Dana Point Portion of Tax Levy (1)	Collected Within the Fiscal Year of the Levy (1) (2)		Collections for Prior Years (3)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	\$ 10,076,000	\$ 8,929,000	88.6%	\$ 835,000	\$ 9,764,000	96.9%
2016	10,702,000	10,268,000	95.9%	137,000	10,405,000	97.2%
2017	11,623,000	11,134,000	95.8%	111,000	11,245,000	96.7%
2018	11,838,569	11,505,159	97.2%	189,075	11,694,234	98.8%
2019	12,304,307	11,820,081	96.1%	121,177	11,941,258	97.0%
2020	12,595,543	12,160,946	96.5%	97,462	12,258,407	97.3%
2021	13,064,594	12,751,149	97.6%	174,672	12,925,822	98.9%
2022	13,553,749	13,146,846	97.0%	223,383	13,370,229	98.6%
2023	14,351,109	13,966,191	97.3%	126,325	14,092,515	98.2%
2024	14,662,393	14,276,965	97.4%	115,688	14,392,653	98.2%

(1) Levy and collection data does not include interest, VLF in Lieu, and HOX.

(2) Includes secured, unsecured, supplemental, and CFD-2006 revenues.

(3) Tax ledgers do not identify the tax year for which delinquent taxes are paid, therefore, amounts in this schedule reflect cumulative collections from prior years.

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

Fiscal Year	Assessed Value	Estimated Actual Value (see note)	Annual Increase in Assessed Value	Annual % Increase in Assessed Value
2015	\$ 9,797,767	\$ 9,797,767	\$ 671,017	7.4%
2016	10,521,105	10,521,105	723,338	7.4%
2017	11,212,210	11,212,210	691,105	6.6%
2018	12,191,306	12,191,306	979,096	8.7%
2019	12,725,481	12,725,481	534,175	4.4%
2020	13,361,923	13,361,923	636,442	5.0%
2021	13,919,582	13,919,582	557,659	4.2%
2022	14,450,169	14,450,169	530,587	3.8%
2023	15,744,491	15,744,491	1,294,322	9.0%
2024	17,211,433	17,211,433	1,466,942	9.3%

(1) The property tax rate is based upon 1% of assessed valuation. The City receives 7.6% of the 1% levy. A complete breakdown of the 1% levy can be found on the Direct and Overlapping Property Tax Rates schedule.

Note: Under Proposition 13, the real estate tax on a parcel of residential property is limited to 1% of its assessed value until the property is resold, and the assessed value may only be increased by a maximum of 2% per year. The Orange County Assessor does not provide estimates of actual value.

Source: Orange County Assessor

CITY OF DANA POINT  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

Distribution of Basic 1% Levy (per \$100 of assessed value)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capistrano Unified School District	0.38980	0.38980	0.38980	0.38980	0.38980	0.38980	0.38980	0.38980	0.38980	0.38980
Educational Revenue Augmentation Fund	0.16560	0.16560	0.16560	0.16560	0.16560	0.16560	0.16560	0.16560	0.16560	0.16560
Orange County Fire Authority	0.12170	0.12170	0.12170	0.12170	0.12170	0.12170	0.12170	0.12170	0.12170	0.12170
South Orange County Comm. College District	0.09590	0.09590	0.09590	0.09590	0.09590	0.09590	0.09590	0.09590	0.09590	0.09590
Orange County General Fund	0.05260	0.05260	0.05260	0.05260	0.05260	0.05260	0.05260	0.05260	0.05260	0.05260
<b>City of Dana Point</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>	<b>0.07618</b>
Orange County Flood Control District	0.02140	0.02140	0.02140	0.02140	0.02140	0.02140	0.02140	0.02140	0.02140	0.02140
Orange County Library District	0.01806	0.01806	0.01806	0.01806	0.01806	0.01806	0.01806	0.01806	0.01806	0.01806
Orange County Department of Education	0.01767	0.01767	0.01767	0.01767	0.01767	0.01767	0.01767	0.01767	0.01767	0.01767
Orange County Harbors, Beaches & Parks	0.01655	0.01655	0.01655	0.01655	0.01655	0.01655	0.01655	0.01655	0.01655	0.01655
Capistrano Beach County Water District	0.01060	0.01060	0.01060	0.01060	0.01060	0.01060	0.01060	0.01060	0.01060	0.01060
Tri Cities Municipal Water District	0.00913	0.00913	0.00913	0.00913	0.00913	0.00913	0.00913	0.00913	0.00913	0.00913
Orange County Transportation Authority	0.00304	0.00304	0.00304	0.00304	0.00304	0.00304	0.00304	0.00304	0.00304	0.00304
Orange County Vector Control	0.00121	0.00121	0.00121	0.00121	0.00121	0.00121	0.00121	0.00121	0.00121	0.00121
Orange County Cemetery District	0.00054	0.00054	0.00054	0.00054	0.00054	0.00054	0.00054	0.00054	0.00054	0.00054
<b>Total Basic 1% Levy (1)</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>	<b>0.99998</b>
<b>Tax Rate Area 28-019: (2)</b>										
Capistrano Union	0.00900	0.00845	0.00843	0.00800	0.00786	0.00745	0.00756	0.72700	0.00633	0.00633
Metro Water District MWDOC Annex #4	-	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Capistrano Unified ID#1 1999 Bond Fund - Series A	0.00335	-	-	-	-	-	-	-	-	-
Capistrano Unified ID#1 1999 Bond Fund - Series B	0.00470	0.00445	0.00439	0.00439	0.00409	0.00388	0.00394	0.00378	0.00367	0.00335
Capistrano Unified ID#1 1999 Bond Fund - Series C	0.00430	0.00400	0.00404	0.00404	0.00377	0.00357	0.00362	0.00349	0.00324	0.00298
<b>Combined Total Property Tax Rate (2)</b>	<b>1.02135</b>	<b>1.02040</b>	<b>1.02036</b>	<b>1.01993</b>	<b>1.01922</b>	<b>1.01840</b>	<b>1.01862</b>	<b>1.73777</b>	<b>1.01674</b>	<b>1.01616</b>

Notes:

Property tax rates are limited to 1% of assessed valuation, pursuant to Proposition 13. Local taxes may only be increased by a majority vote of the City's residents.  
The City does not impose any property taxes or special assessments.

(1) Sub-total rate represents assessments common to all Dana Point properties, and was established by Proposition 13 at a rate of \$1 per \$100 of assessed valuation.

(2) Tax Rate Area 28-019 (the largest in the City) was used in this schedule to demonstrate additional assessments (beyond the basic 1% levy), which vary by tax rate area.  
There are 145 tax rate areas located within the City of Dana Point.

Source: Orange County Auditor-Controller and HdL Coren & Cone

CITY OF DANA POINT  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2024				Fiscal Year 2015			
	Taxable Assessed Value	Taxes Paid	Rank	% of Total Taxes Paid	Taxable Assessed Value	Taxes Paid	Rank	% of Total Taxes Paid
Dana Point Beach Resort LLC (1)	\$ 479,745,157	\$ 374,269	1	3.34%				
SHC Laguna Niguel 1 LLC	281,527,698	220,210	2	1.97%	239,548,022	74,766	2	1.19%
Monarch Coast I Owner LLC	139,837,016	114,017	3	1.02%	86,891,775	26,870	5	0.43%
Regency Laguna LP	138,603,848	78,520	4	0.70%	182,108,859	56,504	4	0.90%
Raintree Del Prado LLC (1)	79,479,157	58,016	5	0.52%				
HC Dana Point Hotel LLC (1)	59,737,735	44,102	6	0.39%				
ST Apartments LLC	57,077,547	29,612	7	0.26%				
Camino De Estrella Dana Point LLC	38,132,409	27,560	8	0.25%				0.00%
Monarch Bay Plaza LLC	35,669,495	26,280	9	0.23%				
Gordon Crawford Trust	35,191,020	23,050	10	0.21%				
Norm Christensen Trust								
MMB Management LLC					241,749,672	81,509	1	1.30%
Monroe MBR					218,457,229	67,759	3	1.08%
Kenneth L Wagner Jr Trust					35,112,168	14,466	6	0.23%
Headland Reserve LLC					37,908,917	13,005	7	0.21%
Bear Brand Partners					32,351,623	10,097	8	0.16%
Fountain Sea Blfs Owner NT HV					28,012,845	9,748	9	0.16%
Jon Darbyshire					27,161,982	9,208	10	0.15%
Totals	\$ 1,345,001,082	\$ 995,636		8.89%	\$ 1,129,303,092	\$ 363,932		5.81%

Source: HdL Coren & Cone  
(1) Pending Appeals On Parcels

CITY OF DANA POINT  
Transient Occupancy Taxes  
Last Ten Fiscal Years  
(Amounts Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Lodging Facilities, listed alphabetically:</u>										
Best Western Inn By The Sea	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Blue Lantern Inn	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Beachfront Inn & Suites***	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Capistrano Surfside Inn	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Dana Marina Motel (closed)	(1)	(1)	-	-	-	-	-	-	-	-
Dana Point Doubletree	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Dana Point Harbor Inn (closed)	(1)	(1)	(1)	(1)	-	-	-	-	-	-
Dana Point Marina Inn	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
El Caminante****	(1)	(1)	-	-	-	-	-	-	-	(1)
Best Western Plus, Marina Shores Hotel*	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Marriott's Laguna Cliffs Resort	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Ritz Carlton	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Riviera Beach & Spa	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Riviera Shores Resort	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Waldorf Astoria Monarch Beach Resort**	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
<b>Total revenues</b>	<b>\$ 12,071</b>	<b>\$ 11,648</b>	<b>\$ 12,600</b>	<b>\$ 12,989</b>	<b>\$ 13,343</b>	<b>\$ 10,083</b>	<b>\$ 8,035</b>	<b>\$ 15,399</b>	<b>\$ 16,711</b>	<b>\$ 16,884</b>
<b>Transient Occupancy Tax Rate</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>

(1) California Government Code section 6254(i) prohibits the disclosure of taxpayer identifiable information in connection with the collection of local taxes (transient occupancy taxes are a locally imposed tax). Accordingly, the City may only present an alphabetical listing of the taxpayers and the gross transient occupancy tax revenues paid.

\* Formerly Holiday Inn Express

\*\* Formerly Monarch Beach Resort

\*\*\* Formerly Capistrano Beach Resort

\*\*\*\* Formerly Capistrano Seaside Inn

Source: City of Dana Point, Administrative Services Department

CITY OF DANA POINT  
Retail Sales Tax Generation  
Last Ten Calendar Years  
(Amounts Expressed In Thousands)

Calendar Year	Apparel Stores	Food Stores	Eating and Drinking Places	Building Materials	Auto Dealers and Supplies	Service Stations	Other Retail Stores	All Other Outlets	Total
2014	\$ 4,913	\$ 30,683	\$ 113,726	\$ 28,488	\$ 8,445	\$ 67,183	\$ 87,333	\$ 199,038	\$ 539,809
2015	5,466	32,792	118,332	31,334	7,775	56,704	84,895	200,016	537,314
2016	4,780	32,474	127,386	28,542	7,841	52,378	80,888	193,840	528,129
2017	4,815	31,335	133,977	32,742	8,391	56,140	76,163	207,829	551,392
2018	4,664	31,885	138,421	29,797	9,288	63,380	77,646	221,760	576,841
2019	4,960	32,620	139,814	36,522	9,405	63,070	71,822	234,157	592,370
2020	4,016	37,975	119,742	37,230	7,103	46,184	71,755	170,408	494,413
2021	6,126	36,029	164,523	48,663	7,566	59,454	79,950	212,516	614,827
2022	7,314	39,700	172,445	45,944	7,966	72,234	82,939	285,110	713,652
2023	6,307	37,160	175,966	48,279	7,798	64,406	76,210	295,923	712,049

Top 25 Sales Tax Producers  
Fiscal Year 2023

**Business Name (1)**

Albertsons  
BevMo  
Chart House  
Chevron  
Chevron Extra Miles  
Circle K  
Coastal Kitchen  
Cornerstone Openings  
Dana Point Arco  
Doheny Builders Supply  
Encore Group USA  
Ganahl Lumber Company  
Gelson's Markets  
Jacks Surfboards  
Jimmys Famous American Tavern  
Marriott Laguna Cliffs  
Monarch Beach Golf Links  
Monarch Beach Resort  
Ralphs  
Ralphs Fresh Fare  
Ritz Carlton  
Rocket 76  
Salt Creek Grille  
Smart & Final  
Wind & Sea Restaurant

**Business Type**

Grocery Stores  
Convenience Stores/Liquor  
Fine Dining  
Service Stations  
Service Stations  
Service Stations  
Casual Dining  
Contractors  
Service Stations  
Building Materials  
Electrical Equipment  
Building Materials  
Grocery Stores  
Sporting Goods/Bike stores  
Casual Dining  
Hotels/Motels  
Leisure/Entertainment  
Hotels/Motels  
Grocery Stores  
Grocery Stores  
Hotels/Motels  
Service Stations  
Casual Dining  
Grocery Stores  
Casual Dining

**Percent of total paid by top 25 accounts = 55.53%**

(1) California Revenue & Taxation Code Section 7056 prohibits release of sales tax revenue information, other than an alphabetical listing of the taxpayers.

CITY OF DANA POINT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities Capital Leases and Subscriptions Payable</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
THE CITY HAS NO OUTSTANDING DEBT				
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	971,830	-	-	-
2023	625,403	-	-	-
2024	639,241	-	-	-

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

See the Schedule of Demographics and Economic Statistics for personal income and population data.

Source: City of Dana Point, Administrative Services Department

CITY OF DANA POINT  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2024

2023-24 Assessed Valuation: \$16,475,457,147

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:

Metropolitan Water District			
Capistrano Unified School District School Facilities Improvement District No.1			
<b>City of Dana Point</b>			
Santa Margarita Water District, I.D. No.3			
Dana Point Community Facilities District No. 2006-1			
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			

OVERLAPPING GENERAL FUND DEBT:

Orange County General Fund Obligations			
Orange County Board of Education Certificates of Participation			
Capistrano Unified School District Certificates of Participation			
Moulton-Niguel Water District Certificates of Participation			
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>			

**TOTAL DIRECT DEBT**

TOTAL OVERLAPPING DEBT

COMBINED TOTAL DEBT

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

Ratios to Assessed Valuation:

<b>Direct Debt</b> .....	<b>0.00%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	0.22%
Combined Total Debt .....	0.30%

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule shows the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses in the City of Dana Point. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government. This is not a City of Dana Point debt.

Sources: CalMuni

CITY OF DANA POINT  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Valuation	\$ 9,787,132	\$ 10,521,105	\$ 11,212,210	\$ 12,182,212	\$ 12,725,481	\$ 13,361,923	\$ 13,919,582	\$ 14,450,170	\$ 15,744,492	\$ 16,437,861
Legal Debt Limit = 3.75% of Total Assessed Valuation (1)	\$ 367,017	\$ 394,541	\$ 420,458	\$ 456,833	\$ 477,206	\$ 501,072	\$ 521,984	\$ 541,881	\$ 590,418	\$ 616,420
Legal Debt Margin	\$ 367,017	\$ 394,541	\$ 420,458	\$ 456,833	\$ 477,206	\$ 501,072	\$ 521,984	\$ 541,881	\$ 590,418	\$ 616,420

Note:

- (1) The general laws of the State of California for municipalities provide for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was established based on 25% of market value. Effective with FY1981-82, taxable property is assessed at 100% of market value. Although the debt limit provision has not been amended by the State since this change, the percentage has been proportionately modified to 3.75% for the purposes of this calculation for consistency with the original intent of the State's debt limit.

Sources: City of Dana Point, Administrative Services Department  
Orange County Auditor-Controller



CITY OF DANA POINT  
Demographic and Economic Statistics  
Last Ten Fiscal Years

	2015 (2) (5)	2016 (2) (5)	2017 (1) (5)	2018 (1) (5)	2019 (1) (5)	2020 (1) (5)	2021 (1) (5)	2022 (1) (5)	2023 (1) (5)	2024 (1) (5)
Population	33,710	34,264	34,902	34,619	34,359	34,139	33,745	33,765	33,882	33,446
Age Distribution:										
0 - 4	1,546	1,490	1,493	1,482	1,442	1,430	1,393	1,394	1,376	1,174
5 - 14	3,214	3,261	3,288	3,243	3,193	3,199	3,124	3,151	3,164	2,620
15 - 19	1,949	1,941	1,621	1,627	1,604	1,577	1,530	1,521	1,535	1,648
20 - 24	1,479	1,468	1,928	1,856	1,756	1,707	1,634	1,617	1,533	1,693
25 - 34	4,135	4,220	4,357	4,295	4,287	4,280	4,259	4,239	4,232	3,837
35 - 44	3,888	3,956	4,020	3,953	3,969	3,980	4,008	4,018	4,136	3,589
45 - 64	10,692	10,781	10,517	10,366	10,127	9,973	9,597	9,488	9,293	9,889
65 - 74	3,884	4,097	4,351	4,447	4,531	4,531	4,628	4,646	5,013	4,993
75 - 84	1,993	2,095	2,256	2,291	2,375	2,386	2,496	2,620	2,672	2,878
85 and over	930	955	1,071	1,059	1,075	1,076	1,079	1,069	928	1,125
Total	33,710	34,264	34,902	34,619	34,359	34,139	33,748	33,763	33,882	33,446
Median Age	44.9	45.9	45.7	48.5	48.5	48.6	50.5	48.9	48.5	49.5
Per capita income	\$ 48,454	\$ 52,160	\$ 58,218	\$ 61,088	\$ 59,496	\$ 62,138	\$ 65,140	\$ 74,713	\$ 73,048	\$ 77,070
Personal income (,000,000) (5)	1,649	1,743	1,811	1,841	1,928	2,078	2,175	2,195	2,249	2,473
Median household income (1) (2)	78,758	82,065	95,346	102,250	100,389	104,270	109,810	119,867	113,622	122,567
Average household income (1)	112,325	117,539	136,926	143,962	140,455	146,594	152,599	173,101	170,173	176,229
Civilian unemployment rate (4) (5)	5.1%	4.2%	3.8%	3.2%	2.7%	2.6%	7.8%	5.3%	2.9%	3.3%
Number of families (1) (2)	8,918	9,099	9,008	8,950	8,779	8,842	8,783	8,895	9,046	8,918
Number of households (1) (2)	14,568	14,879	14,657	14,506	14,431	14,347	14,265	14,470	14,542	14,625
Average household size (1) (2)	2.30	2.29	2.37	2.37	2.33	2.37	2.35	2.32	2.32	2.27
Households, by income: (1) (2)										
Less than \$15,000	827	827	753	770	740	779	684	584	700	613
\$15,000 - \$24,999	1,141	1,034	861	827	800	783	695	585	624	658
\$25,000 - \$34,999	1,206	1,097	776	677	719	756	769	658	753	640
\$35,000 - \$49,999	1,545	1,557	1,295	1,201	1,191	1,124	1,084	933	931	851
\$50,000 - \$74,999	2,283	2,398	2,153	1,942	2,169	2,033	1,890	1,808	1,638	1,554
\$75,000 - \$99,999	1,876	1,863	1,755	1,650	1,563	1,387	1,323	1,409	1,669	1,421
\$100,000 - \$149,999	2,545	2,552	2,703	2,750	2,749	2,532	2,573	2,559	2,669	2,863
Over \$150,000	3,145	3,551	4,361	4,689	4,469	4,954	5,248	5,933	5,558	6,025
Total	14,568	14,879	14,657	14,506	14,400	14,348	14,266	14,469	14,542	14,625

(1) Source: ESRI Business Information Solutions

(2) Source: The Nielsen Company

(3) Source: Bureau of Labor Statistics

(4) Reflects calendar year unemployment rate.

(5) Source: HDL Coren & Cone

CITY OF DANA POINT  
Principal Employers  
Calendar Year 2024 and Ten Years Ago

Employer	2024			2015	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Waldorf Astoria Monarch Beach	1200	1	7.02%	800	2
Ritz-Carlton Laguna Niguel	600	2	3.51%	970	1
Spa At Laguna Cliffs	350	3	2.05%		
Laguna Cliffs Marriott Resrt	250	4	1.46%	250	3
Dana Hills High School	200	5	1.17%	200	4
Harpoon Henry's Seafood Rstrnt	150	6	0.88%	150	6
Wind & Sea	150	6	0.88%	125	7
Albertsons	100	7	0.58%	100	10
Gelson's Market	100	7	0.58%	100	10
Monarch Beach & Tennis Club	100	7	0.58%	100	10
Salt Creek Grille	100	7	0.58%	100	10
Saratech Inc	99	8	0.58%		
Chart House	90	9	0.53%	90	11
Doubletree Suites By Hilton	90	9	0.53%		
Sea Bluffs Sales Office	90	9	0.53%		
Daniel Finder Realtor	87	10	0.51%		
Ralphs	83	11	0.49%	83	12
Surterre Properties Inc Dana	80	12	0.47%		
United States Postal Svc	80	12	0.47%		
O C Lifeguards	75	13	0.44%	101	9
Ralphs	70	14	0.41%		
Western Union Agent Location	70	14	0.41%		
Rapid Conn	65	15	0.38%		
St Edward-Confessor Parish Sch	65	15	0.38%		
Capistrano Unified School Dst	64	16	0.37%		
Dana Corp				175	5
Ocean Institute/Chambers Gallery				116	8
Jimmy's Famous American Tavern				90	11
Total	4,408		25.78%	3,550	

2024 Source: Data Axle and City of Dana Point 2014 Annual Comprehensive Financial Report

CITY OF DANA POINT  
Full-time Equivalent City Government Employees Authorized, by Function  
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>General Government</u>										
City Manager's Office	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Administrative Services	7.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Facilities	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00
<u>Public Safety</u>										
Police Services	-	-	-	-	-	-	-	-	-	-
Emergency Services	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	3.00	3.00
<u>Community Development</u>										
Planning	9.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	10.00	9.00
Building	7.50	7.50	7.50	7.50	7.00	7.00	7.00	7.00	7.00	7.00
Code Enforcement	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	4.00	4.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
<u>Recreation and Parks</u>										
Parks	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Community Services-Recreation	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	7.00	6.00
<u>Public Works</u>										
Administration	2.33	2.33	2.33	2.33	3.00	3.00	3.00	3.00	3.00	3.00
Street/Drainage Maintenance	1.33	1.33	1.33	1.33	0.00	0.00	0.00	0.00	0.00	0.00
Traffic Engineering	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solid Waste	0.34	0.34	0.34	0.34	0.00	0.00	0.00	0.00	0.00	0.00
Engineering	12.00	12.00	12.00	11.00	10.00	10.00	10.00	10.00	11.00	12.00
Water Quality & Natural Resources	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	66.00	70.00	70.00	66.00	64.00	64.00	64.00	65.00	68.00	67.00

Source: City of Dana Point Budget Document

CITY OF DANA POINT  
Operating Indicators by Function/Program  
Fiscal Years 2015 through 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police (1)</b>										
Arrests	510	448	483	1,199	1,253	889	936	431	298	218
Calls for service	17,812	18,815	21,530	22,939	18,247	22,765	25,181	17,531	15,212	16,390
Parking citations issued (4)	8,617	8,286	8,013	7,335	4,797	5,679	6,337	5,313	4,261	7,588
Traffic citations issued (5)	N/A	N/A	794	1,549	1,150	666	1,926	1,654	1,233	1,405
<b>Fire (2)</b>										
Incidents	3,297	3,292	3,656	3,711	3,402	3,345	3,343	3,695	3,822	3,891
Fires	43	52	42	46	29	34	39	45	38	40
Inspections conducted	691	951	796	829	889	503	279	639	677	796
<b>Refuse Collection (3)</b>										
Refuse collected (tons/day)	64	57	63	60	61	71	76	74	71	73
Recyclables collected (tons/day)	50	71	77	77	72	53	46	48	43	42
<b>Community Development</b>										
Building permits issued	2,318	2,505	1,967	1,993	2,252	1,855	1,996	2,167	2,059	1,953
Value of building permits issued	\$ 107,031,542	\$ 113,969,484	\$ 131,431,905	\$ 157,575,390	\$ 113,784,924	\$ 109,014,102	\$ 111,176,688	\$ 72,607,663	\$ 90,944,323	\$ 84,452,501
Inspections conducted	7,545	8,704	8,602	9,206	10,730	14,159	13,222	13,178	12,917	11,474
New code enforcement cases opened	1,544	1,289	1,562	1,472	1,177	1,437	1,186	961	813	828
Code enforcement cases closed	1,578	1,249	1,593	1,482	1,302	1,464	1,152	992	768	793
<b>Public Works</b>										
Miles of street resurfaced	3	2	1	4	1	1	1	2	2	1
Potholes repaired	78	64	70	-	24	37	6	7	4	10
Miles of street slurry sealed (6)	-	-	-	10	11	10	-	-	9	9
Inspections completed	5,174	7,719	7,725	11,087	11,168	11,710	11,860	11,168	11,367	11,452
<b>Recreation</b>										
Number of classes offered	398	402	446	425	353	280	257	338	310	395
Number of activities/excursions/special events	25	25	26	29	44	46	53	106	87	69
Number of participants:										
Youth classes	1,219	1,030	937	1,007	852	328	340	658	358	402
Adult classes	1,348	1,574	1,852	1,732	2,253	2,967	1,193	3,683	4,507	1,870
Sports	358	455	680	520	520	649	180	339	314	1,877
Excursions	60	60	39	33	43	131	62	114	178	215
Total participants	2,985	3,119	3,508	3,292	3,668	4,075	1,775	4,794	5,357	4,364

(1) Police services are provided to the City via contract with County of Orange

(2) Fire services are provided by Orange County Fire Authority

(3) Refuse collection is provided via franchise with CR&R

(4) Beginning in 2016 a new source for parking citation information is used: Citation Processing Center. This resulted in adjustments for previous fiscal years.

(5) Traffic citation information for FY's 14-16 is under review and is not ready at the time of publishing.

(6) Data for 2010-2016 is not available.

Sources: Various City departments, Orange County Fire Authority, Orange County Sheriff, CR&R

CITY OF DANA POINT  
Capital Asset Statistics by Function/Program  
Fiscal Years 2015 through 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Police (1)</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (cars)	16	16	15	15	15	15	16	16	16	16
Patrol units (motorcycles)	1	1	1	1	1	1	1	2	2	2
Fire Stations (2)	2	2	2	2	2	2	2	2	2	2
<u>Refuse Collection (3)</u>										
Collection trucks	14	14	14	14	11	11	14	14	14	14
<u>Public Works</u>										
Miles of arterial streets maintained	18	18	18	18	18	18	18	18	18	18
Miles of non-arterial streets maintained	61	61	61	61	61	61	61	61	61	61
Miles of storm drains maintained	20	20	20	20	20	29	29	29	29	29
Number of signalized intersections	38	38	38	40	40	40	40	40	40	40
Number of street lights (4)	1,508	1,547	1,547	1,544	1,551	1,552	1,560	1,561	1,564	1,565
<u>Parks and Recreation</u>										
Number of parks	27	27	27	27	28	27	27	29	28	30
Total park acreage	135	135	135	135	136	136	136	137	137	138
Number of baseball/softball diamonds	7	7	7	7	7	5	5	3	3	3
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	2	2	2	2	2	2	2	2	2	2
Number of basketball courts	6	6	6	6	5	5	4	4	4	4
Number of bocce ball courts	3	3	3	3	3	3	3	3	3	3
Number of raquetball courts	-	-	-	-	2	2	2	2	2	2
Number of pickleball courts	-	-	-	-	-	-	7	7	8	9

(1) Police services are provided to the City via contract with County of Orange - substation is located in Dana Point

(2) Fire stations are owned by Orange County Fire Authority

(3) Refuse collection vehicles are owned by franchisee CR&R

(4) Includes street lights owned by San Diego Gas & Electric and the City of Dana Point.

Sources: Various City departments, Orange County Fire Authority, Orange County Sheriff, CR&R