

Annual Comprehensive Financial Report



CITY OF SAN MATEO
YEAR ENDING JUNE 30, 2025

City of San Mateo

San Mateo, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Prepared by
Finance Department

City of San Mateo
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Table of Contents	i
Letter of Transmittal.....	v
Directory of City Officials	xiv
Map of City's Location	xv
Organizational Chart	xvi
GFOA Certificate of Excellence in Financial Reporting.....	xvii
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis – Required Supplementary Information (Unaudited)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	28
Statement of Activities	30
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet.....	37
Reconciliation of the Governmental Funds Balance Sheet	
to the Government-Wide Statement of Net Position.....	38
Statement of Revenues, Expenditures, and Changes in Fund Balances	39
Reconciliation of the Governmental Funds Statement of Revenues,	
Expenditures, and Changes in Fund Balances to the Government-Wide	
Statement of Activities and Changes in Net Position.....	40
Proprietary Funds Financial Statements:	
Statement of Net Position	43
Statement of Revenues, Expenses and Changes in Net Position	45
Statement of Cash Flows	46
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position.....	51
Statement of Changes in Fiduciary Net Position	52
Notes to the Basic Financial Statements	59

City of San Mateo
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited):	
Budgetary Information.....	127
Budgetary Comparison Schedules:	
General Fund	128
Schedule of Changes in the Net Pension Liability and Related Ratios.....	130
Schedules of Contributions - Pension	134
Schedule of Changes in Total OPEB Liability and Related Ratios	136
Schedule of Contributions – OPEB	137
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	147
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Schedules:	
Police Grants Special Revenue Fund.....	152
Community Development Block Grant Special Revenue Fund	153
HOME Special Revenue Fund.....	154
City Housing Special Revenue Fund	155
Low and Moderate Income Housing Special Revenue Fund.....	156
Permanent Local Housing Allocation Special Revenue Fund	157
Gas Tax Special Revenue Fund	158
Road Maintenance and Rehabilitation Special Revenue Fund	159
Advance Planning Special Revenue Fund	160
Solid Waste Special Revenue Fund	161
Parks and Recreation Special Revenue Fund.....	162
Traffic Impact Fee Special Revenue Fund.....	163
Commercial Linkage Fee Special Revenue Fund	164
Construction Services Special Revenue Fund	165
Landfill Bonds Debt Service Fund	166
General Obligation Bonds Debt Service Fund.....	167
2% Hotel Tax Capital Projects Fund	168
Internal Service Funds:	
Combining Statement of Net Position.....	170
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	172
Combining Statement of Cash Flows	174

City of San Mateo
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Supplementary Information (Continued):	
Fiduciary Funds:	
Custodial Funds - Combining Statement of Fiduciary Net Position	181
Custodial Funds - Combining Statement of Changes in Fiduciary Net Position	182
Private Purpose Trust Funds - Combining Statement of Fiduciary Net Position	185
Private Purpose Trust Funds - Combining Statement of Changes in Fiduciary Net Position	186
General Capital Projects Fund:	
Schedule of Assessments and Impact Fees and Related Expenditures	189
<u>STATISTICAL SECTION (Unaudited)</u>	
Table of Contents	193
Financial Trends:	
Net Position by Component – Last Ten Fiscal Years	194
Changes in Net Position – Last Ten Fiscal Years	196
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	201
Fund Balances of Governmental Funds – Last Ten Fiscal Years	202
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	204
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	206
Principal Property Taxpayers – Current Year and Nine Years Ago	207
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	208
Property Tax Levies and Collections – Last Ten Fiscal Years	209
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	210
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	212
Direct and Overlapping Governmental Activities Debt	213
Legal Debt Margin Information – Last Ten Fiscal Years	214
Pledged-Revenue Coverage – Last Ten Fiscal Years	216
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Fiscal Years	217
Principal Employers – Current Year and Nine Years Ago	218

City of San Mateo
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited) (Continued)</u>	
Operating Information:	
Full Time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	219
Operating Indicators by Function – Last Ten Fiscal Years	220
Capital Asset Statistics by Function – Last Ten Fiscal Years.....	221

LETTER OF TRANSMITTAL



Finance Department
330 West 20th Avenue
San Mateo, California 94403
p: 650.522.7100
<http://www.cityofsanmateo.org>

January 6, 2026

Residents of the City of San Mateo,
Honorable Mayor, and
Honorable Members of the City Council

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of San Mateo, California, for the fiscal year ended June 30, 2025. This financial report contains a complete set of audited financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City and its blended component unit. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making those representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. The first note in the Notes to the Financial Statements provides a detailed explanation of the City's significant accounting policies. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's Charter, Section 5.26, requires an annual audit of the basic financial statements of the City. The Pun Group, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City and its blended component unit for the fiscal year ended June 30, 2025, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion on the City's basic financial statements as of and for the year ended June 30, 2025. The independent auditors' report is presented as the first component of the financial section of this report.

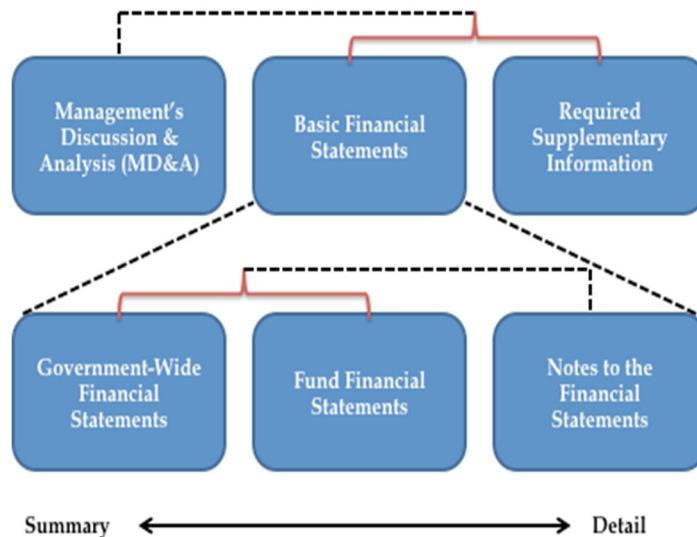
The analysis of the financial condition and the result of operations are in the Management's Discussion and Analysis (MD&A) section immediately following the auditor's report. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

THE REPORT

The ACFR is presented in three sections:

- The **Introduction** section includes this letter of transmittal, City Council introduction, the City's organizational chart, and certificates of achievement.
- The **Financial** section includes the report of the independent auditors; Management's Discussion and Analysis (MD&A); the basic financial statements, including the government-wide financial statements; and the accompanying notes to the financial statements. The Financial section also includes the fund financial statements, including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, and the combining individual funds financial statements for the non-major governmental funds and the internal service funds. Required supplementary information is also included in the financial section.
- The **Statistical** section includes selected financial and demographic information, presented on a multi-year basis.

ACFR Organization



This ACFR includes all funds of the City and the City's component unit, which is a legally separate organization for which the City is financially accountable or whose relationship with the City is of a nature and significance that would cause the City's financial statements to be incomplete were it not included.

In addition to the financial audit, the City typically undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.

CITY PROFILE

The City of San Mateo is in San Mateo County and is situated 19 miles south of San Francisco and 30 miles north of San Jose. The City covers an area of 15.4 square miles and includes tidelands from the Bay to the east and coastal mountains to the west. With its Mediterranean climate, residents enjoy warm, sunny summers and mild damp winters, ideal for various recreational activities in the City's many neighborhoods and regional parks.

One of the larger suburbs of the San Francisco Peninsula, San Mateo is bordered by the cities of Burlingame to the north, Foster City to the east, Belmont to the south, and Hillsborough to the west. According to the State Department of Finance, the City San Mateo had an estimated population of 104,315 on January 1, 2025, making it the largest city in San Mateo County.

CITY HISTORY

The first inhabitants of what is now the City of San Mateo were members of a tribe of the Ohlone Indians (called Coastanoans by Spanish explorers). This Tribe lived in the area from South San Francisco to Belmont for at least 4,000 years before explorers first arrived on the Peninsula. In 1776, Spanish explorers came to today's San Mateo. During a scouting trip to locate a place to start a colony on the Peninsula, Lieutenant Colonel Juan Bautista de Anza, Padre Pedro Font, Lieutenant Jose Joaquin Moraga, and eleven soldiers set up camp in San Mateo. Father Font named the creek that they slept by "San Mateo Creek." In 1793, the mission fathers in San Francisco created an outpost of the mission on the Peninsula. The outpost was the first building built in San Mateo by non-natives.

In 1822, California received word of Mexico's independence from Spanish rule. The Mexican Land Grants (1835) would leave a few residents owning vast expanses of land in the area. These ranches were so large that what is now the City of San Mateo is comprised of only two land grants - Rancho San Mateo and Rancho de las Pulgas. The year 1889 saw many important events in the developing San Mateo community. Under head engineer, Herman Schussler, the Crystal Springs dam was completed. The completion of this project assured that the people of San Mateo would have quality drinking water, allowing for further growth in the area.



In the same year, William Howard had part of his estate opened for subdivision, the first successful attempt at selling smaller plots of land. With this, the middle class moved to San Mateo. In this same year, Richard H. Jury and Charles N. Kirkbride established the "Leader", San Mateo's first successful newspaper and one of the earliest proponents of the incorporation of San Mateo. On September 3, 1894, with a vote of 150 in favor and 25 against incorporation, San Mateo became a town.

CITY ORGANIZATION

The City was incorporated in 1894 and was originally chartered in 1922. The current charter was adopted in 1971 and revised in 2002. Since 2002, there have been three other voter-approved amendments to the charter. San Mateo has a Council-Manager form of government. Five Council members each serve for four-year terms. The City completed a transition from at-large elections to district elections, starting with the November 2022 election, where three of the five districts were open, and finishing in the November 2024 election where the remaining two districts were open.

The Council selects a Mayor from among its members each December for a one-year term. The City Manager is appointed by the Council and serves as chief executive officer responsible for the day-to-day administration of City affairs. The City Council also appoints a City Attorney. There are twelve Advisory Boards and Commissions, nine of which are appointed by the City Council.

The City provides a wide range of municipal services, including police, public works, parks and recreation, library, planning and zoning, building, sewer enterprise, street maintenance, economic development, and general administrative services. The City is part of a joint powers agreement with the cities of Belmont and Foster City that provides fire services to all three cities through the San Mateo Consolidated Fire Department. The City offers 35 parks, six recreation centers, an 18-hole golf course, and three libraries, including a state-of-the-art main library. California Water Service, a private company, provides water to City residents.

The City has an Audit Committee consisting of the Mayor and Deputy Mayor. The Audit Committee is responsible for the selection and management of the external auditor. The Audit Committee discusses any matters related to the audit with the external auditor and accepts the results of the annual financial audit.

BUDGET PROCESS

The City operates on a two-year budget cycle. The two-year budget process requires that each department submit two one-year expenditure plans and revenue estimates to the City Council for approval. In each alternate year, the department directors present mid-cycle performance reports to the City Manager and City Council summarizing budget status to date and seeking approval for year-two funding. The City utilizes a five-year plan for capital improvements. The plan serves as a guide for allocation of future resources.

The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget submitted by the City Manager and adopted by the City Council. The annual operating budget and the long-term capital improvement plan are adopted on or before June 30th each year by City Council. All budget amendments require City Council approval. The two-year business plan for operations is adopted in June of every even-numbered year and is amended in the second year of the plan as part of the annual budget development process.

Budgetary control (the level at which expenditures and encumbrances cannot legally exceed the appropriated amount) is established at the department level within individual funds. Departmental operating budgets may be reallocated among programs within a department and within the same fund, but expenditures may not exceed annually budgeted appropriations at the department/fund level without Council approval. Project-length budgets are adopted for the General Fund, some special revenue funds, and all capital project funds. Capital improvement expenditures may not exceed budgeted amounts without Council approval.

LOCAL AND REGIONAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment in which the City operates. The City is one of the major centers of economic activity in San Mateo County, serving as a business, recreational, educational, and cultural hub. The diverse economy of San Mateo includes a strong employment base in the technology, health care, financial services, government, and retail fields.

Companies based in San Mateo include Franklin Templeton, Roblox, SurveyMonkey, GoPro, and Verkada. These companies contribute significantly to the City's employment base and economic vitality.

The City has a vibrant and pedestrian-friendly downtown that fosters small businesses and community events, enhancing its cultural appeal. Additionally, the Hillsdale Shopping Center and Bridgepointe Shopping Center offer unique retail and entertainment experiences, attracting visitors from the region, boosting local commerce.

Real Estate Market

San Mateo's real estate market has been a key driver of economic growth, showing consistent strength. Over the past 12 years, including the pandemic period, property assessed values have steadily increased. According to the San Mateo County Assessor's Office, the City's total property assessed value for fiscal year 2024-25 reached \$38.1 billion – a 4.8% increase from the previous year. This growth reflects ongoing demand for residential and commercial properties in the area.

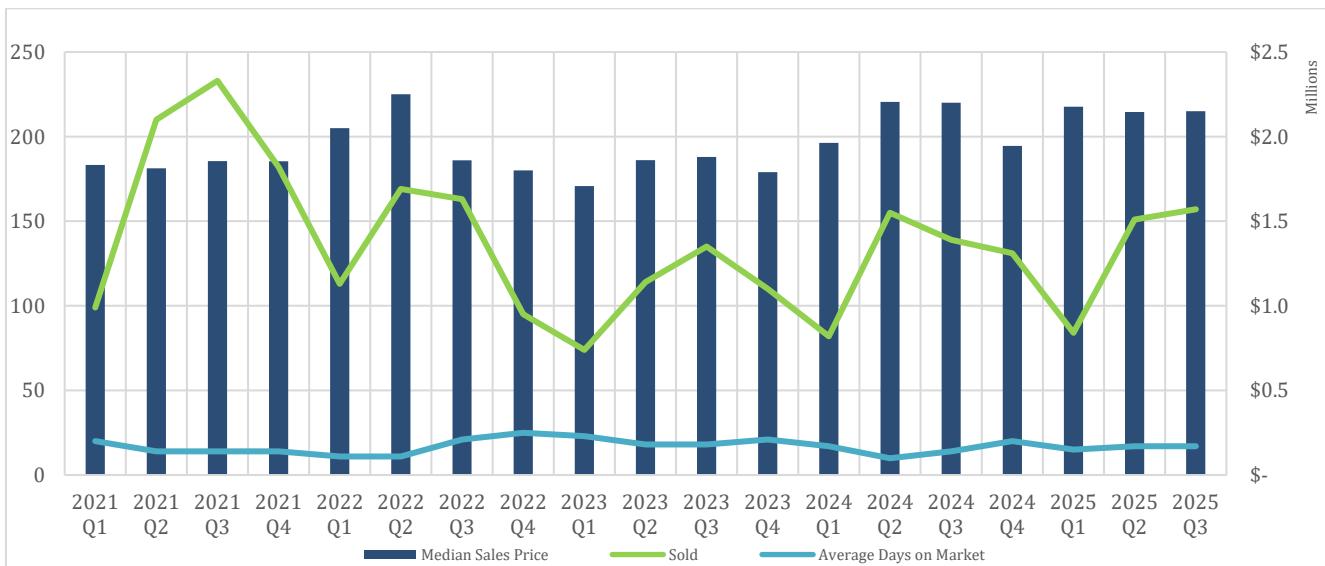
At the same time, changing economic conditions and uncertainty in the economy have introduced new challenges. In response to high inflation, the Federal Reserve (Fed) implemented a series of interest rate hikes over the past few years, raising the Federal Funds Rate. Consequently, average 30-year mortgage rates reached recent highs of 6.75-7.5%. The high borrowing costs cooled the real estate market. Although inflation is easing and there have been some rate cuts, the Fed continues to take a methodical approach to rate cuts given the uncertainty around tariffs and the weakening job market. It is unknown whether the Fed will continue to make rate cuts in 2026 and borrowing costs may still remain high.

Chart 1 – 30 Year Fixed Rate Mortgage Average



Although many uncertainties remain, the housing market is stabilizing, and San Mateo's median home price in late 2025 was \$2.15 million, slightly down from a year ago, but still very strong and supported by continued demand and limited housing supply.

Chart 2 – Real Estate Metrics – Single Family Residential, City of San Mateo



Source of information: San Mateo County Association of Realtors

Labor Market

San Mateo's labor market remains robust although there are signs of weakening in the labor market. As of September 2025, the City's unemployment rate stood at 3.9%, up slightly from 3.5% in September 2024. The City's rate was close to San Mateo County's rate (4%) and was better than the State's rate (5.6%). Nationally, the U.S. unemployment rate stood at 4.4% in September 2025, a modest uptick from the prior year. The data presents mixed signals for the broader economy, suggesting that while our regional economy is strong and unemployment still low, certain sectors may be slowing down.

Chart 3 – Unemployment Rates



Impact on City's Financial Sustainability

While the City's economy remains strong, several factors could pose challenges ahead such as higher interest rates could continue to strain the housing market, potentially affecting property tax and real property transfer tax revenues; changing retail trends could reduce sales tax revenues; and rising labor and operational costs could impact the City's ability to sustain service levels. In the next few years, an increase in housing development is expected in the City, which should improve property tax revenues, but could also impact other revenue sources, potentially negatively, such as sales tax and transient occupancy tax revenues. We will continue to closely monitor these changing economic conditions to ensure course corrections to the long-term financial sustainability plan are made as necessary.

CITY FINANCIAL POLICIES & PLAN

Formal financial policies and prudent operating practices have enabled the City to maintain core services and minimize the impact of economic fluctuations on residents as much as possible. Formal policies exist in areas such as balanced budgets, revenue diversification, operating expenditures, reserves, investments, and debt.

Trust has been built over the years between the City and the community through establishing and following formal financial policies, as well as maintaining prudent operating practices. This trust and confidence were demonstrated by the voters in San Mateo, who in November 2009 approved a $\frac{1}{4}$ cent general sales tax. With this tax set to expire in April 2018, the voters again demonstrated their confidence in the City's financial management by voting in November 2015 to approve Measure S to extend the sales tax until 2048 to fund critical infrastructure and enhancements to public safety services. In addition, San Mateo voters again demonstrated their trust by approving Measure CC in November 2022 to increase the real property transfer tax from 0.5% to 1.5% for properties sold or transferred that are valued at \$10 million or more.

REVENUE ADMINISTRATION

The City's two main sources of revenue to fund operating expenditures are property and sales taxes, which make up over 62 percent of total General Fund revenues. In addition, the City's revenue administration includes a review of all fees, fines, and charges for services to ensure the charges are meeting cost-recovery goals. One-time and unpredictable revenues are spent on one-time expenditures, such as equipment replacement, or transferred to capital improvement funds for repair and rehabilitation projects.

EXPENDITURE ADMINISTRATION

City departments and the Finance Department carefully review expenditure budgets. The department directors are responsible for containing expenditures within their Council-approved budget appropriations. The City maintains an encumbrance accounting system as an additional means of budgetary control. Encumbered amounts in the operating budget lapse one year after the end of the fiscal year.

RESERVES

The General Fund Reserve Policy has been amended and is incorporated into the adopted fiscal year 2025-26 Annual Budget as summarized here. A Contingency Reserve will be maintained at 15% of the General Fund budgeted operational expenditures. Per the most recent Housing Element language, 20% of RDA residual property tax will be allocated annually to the Housing Set-Aside Reserve at the discretion of the City Council. A Budget Stabilization Reserve will be set at 15% of the General Fund budgeted revenues. Finally, a Pension Stabilization Reserve has also been established to mitigate impacts of rising pension costs and prevent unexpected increases in unfunded pension liabilities from affecting city services.

Overall, the General Fund Reserve was healthy as of June 30, 2025 with over \$119.5 million available to fund these various reserves. Within the General Fund Reserve as of the end of fiscal year 2024-25, \$0.6 million was restricted for debt services, \$11.7 million was assigned for specific purposes, and \$106.9 million was unassigned. The unassigned fund balance includes the 15% Contingency Reserve, the 15% Budget Stabilization Reserve, the Housing Set-Aside Reserve, and the Pension Stabilization Reserve. The Sewer Fund has unrestricted net position of \$222.5, approximately 454% of total operating and debt interest expenses, exceeding City enterprise fund reserve policy of four months of expenditures, or 33 percent. The reserves have been established to provide sufficient liquidity to the Sewer Fund to ensure adequate funding to complete the Clean Water Program.

In addition to maintaining a strong cash position, operating surplus also maintains the Sewer Enterprise Fund's continued high debt service coverage ratio at over 2X. Both the cash position and debt service coverage affirm the high-quality credit rating the Sewer Enterprise received of AA- from S&P Global Ratings (formerly known as Standard & Poor's) and AA rating from Kroll Bond Rating Agency.

There are additional reserves established in the City's other funds for vehicle and equipment replacement, workers' compensation, general liability, storm water enterprise, and capital improvements.

DEBT ADMINISTRATION

The City manages the issuance of new debt and proactively communicates with the investment community in the administration of its outstanding debt. In doing so, the City seeks to ensure that debt is issued prudently and affordably, and bondholders are provided all the information required by the Municipal Securities Rulemaking Board as governed by the Securities and Exchange Commission.

Proposition 13 amended the State Constitution by requiring California cities to obtain voter approval prior to issuing general obligation bonds. State statutes further limit general obligation bonded debt to 15% of the assessed value of all real and personal property within the City. As of June 30, 2025, the City's general obligation bonded debt remaining balance of \$12.2 million, including unamortized bond premium, amounted to 0.21% of the \$5.8 billion legal debt limit.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed valuation ratios, debt per capita, etc.), the City's level of direct debt obligations is considered low in comparison to similarly sized cities. Rating agencies cite the City's strong financial management and prudent fiscal policies as credit strengths. As of June 30, 2025, the City's rating for general obligation bonds is AAA by Standard & Poor's and Aaa from Moody's Investor Service. The City of San Mateo Joint Powers Public Financing Authority manages two bond issues that have \$15.2 million in balance outstanding.

Additional information pertaining to the City's outstanding long-term debt can be found under Long-Term Debt (Note 7) in the Notes to the Basic Financial Statements and in the Statistical Section under Legal Debt Margin information.

CASH MANAGEMENT

The City pools cash from all operating sources to manage cash flow and invest idle funds. The Finance Director serves as the City's Treasurer and, utilizing the services of a third-party asset management advisor, oversees the investment of funds in accordance with the City Council-adopted Investment Policy and Government Code Sections 53601 and 56535. The City Council receives quarterly treasury reports and reviews and approves the City's Investment Policy each fiscal year.

LONG-TERM FINANCIAL PLANNING

The City of San Mateo has a long tradition of disciplined and prudent fiscal management. To address the significant impacts of the Great Recession and the COVID-19 pandemic, the City Council adopted various strategies for financial sustainability that have been successfully implemented to achieve balanced General Fund budgets and create a mechanism for the City to accumulate sufficient resources to better position its General Fund for economic retractions or disaster. The City's prudent efforts to adopt a reserves policy and accumulate additional reserves during the years of economic prosperity have proven prescient given the current estimated General Fund budget deficits and the current economic climate that includes rising labor and operating costs due to inflation and less sustained growth on the revenue side.

The City continues to adhere to a planning process that focuses on financial sustainability. To this end, the City annually updates a long-term General Fund financial projection model designed to inform decision makers of the long-term impacts of near-term financial proposals. The City also maintains a five-year long-range capital planning process and capital improvement plan that is annually updated. This plan drives capital project funding decisions and periodic new bonded debt issuances for larger capital infrastructure investments.

For General Fund operations, revenues and expenditures are forecasted out for ten years to continually assess the long-term structural balance of that fund and allow adequate time for thoughtful course correction if a structural imbalance occurs. Major General Fund revenues will be tracked closely, particularly in light of uncertainties that could impact revenue growth. These uncertainties include VLF shortfall, slowing sales tax, economic conditions and events that affect Transient Occupancy Tax (TOT) and real property transfer tax revenues.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2024. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the thirty-fifth consecutive year that the City has received this award. A Certificate of Achievement is valid for one year only. We believe that this FY 2024-25 ACFR continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of this ACFR could not have been accomplished without the efficient and dedicated service of the highly qualified staff in the Finance Department. The dedication and cooperation of staff in all City departments in the administration of financial policies throughout the year is also appreciated. Special thanks go to the City's Accounting Manager, Ha Tran, who oversaw the compilation and review of the financial statements. We also acknowledge the thorough and professional manner in which our independent auditors, The Pun Group, conducted their audit.

In closing, City staff wishes to express deep appreciation to the City Council for their leadership, support, and responsiveness to the financial concerns of the City.

Respectfully submitted,



Alex Khojikian, City Manager



Abby Veeser, Finance Director

City of San Mateo City Council Members

2025



Rob Newsom Jr.
Mayor



Adam Loraine
Deputy Mayor



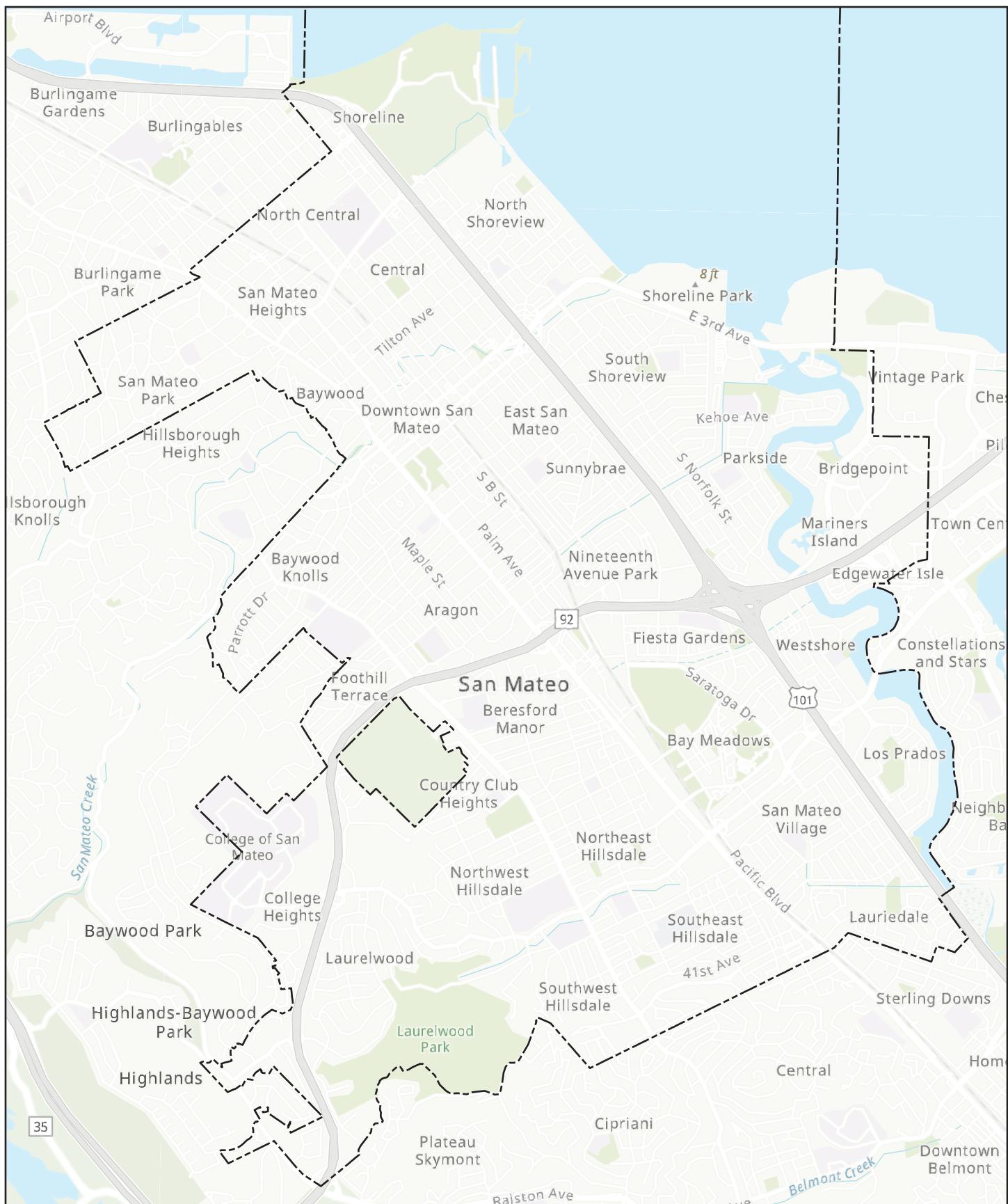
Lisa Diaz Nash
Council Member



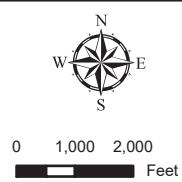
Danielle Cwirko-Godycki
Council Member



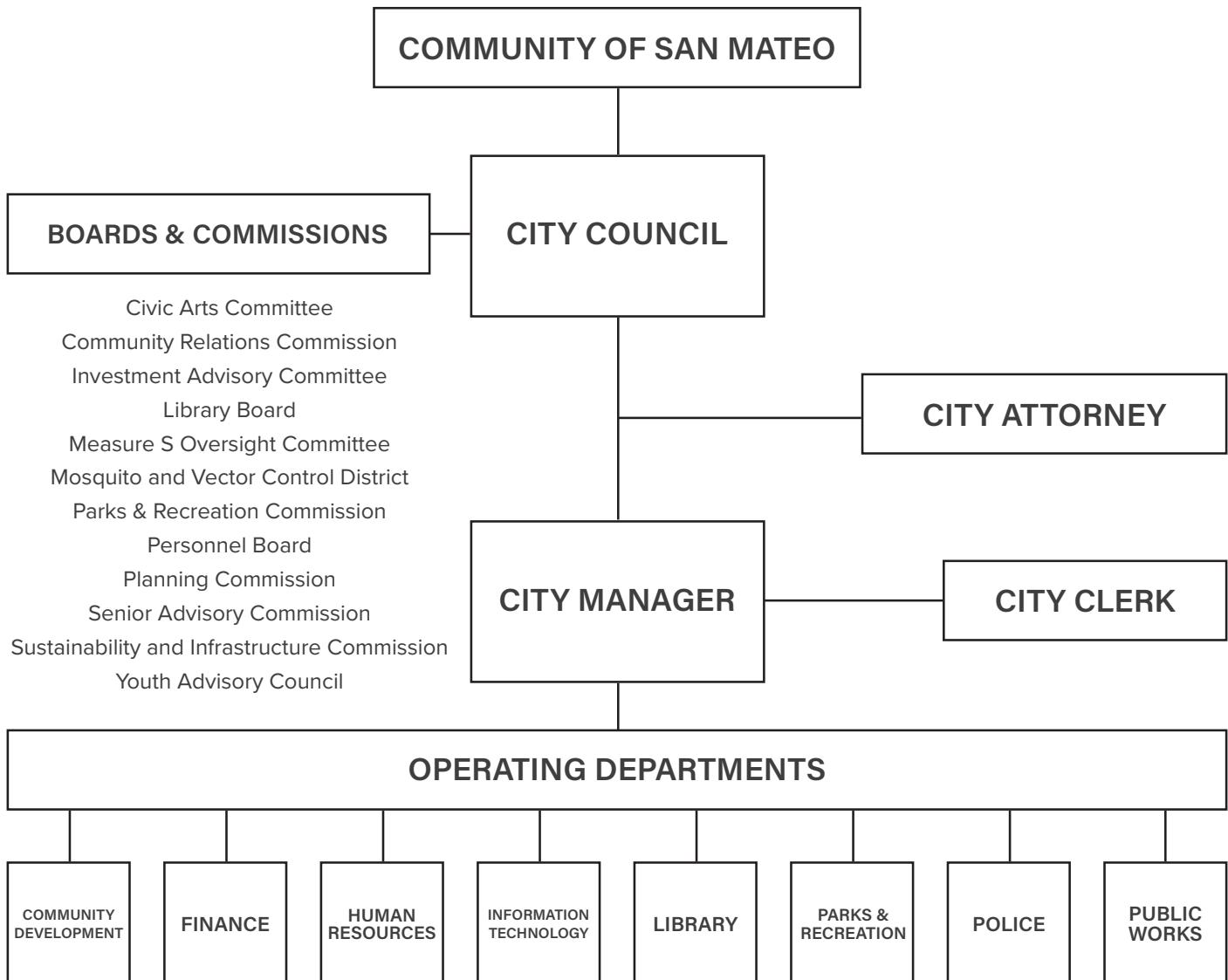
Nicole Fernandez
Council Member



City of San Mateo



City Organizational Chart



City Council

Mayor	Rob Newsom Jr.
Deputy Mayor	Adam Loraine
Council Member	Nicole Fernandez
Council Member	Danielle Cwirko-Godycki
Council Member	Lisa Diaz Nash
City Manager	Alex Khojikian
City Attorney	Prasanna Rasiah

Department Heads

Assistant City Manager
City Clerk
City Librarian
Community Development Director
Finance Director
Human Resources Director
Information Technology Director
Parks and Recreation Director
Police Chief
Public Works Director



Government Finance Officers Association

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

Presented to

**City of San Mateo
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Mateo, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the basic 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Notes 1 and 19 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective July 1, 2024. The implementation of this standard required the City to change its method of accounting for compensated absences and resulted in a restatement of beginning net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

To the Honorable Mayor and Members
of the City Council of the City of San Mateo
San Mateo, California
Page 2

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.

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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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.

To the Honorable Mayor and Members
of the City Council of the City of San Mateo
San Mateo, California
Page 3

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Contributions – Pension, and Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements, Budgetary Comparison Schedules, Schedule of Assessments, and Impact Fees and Related Expenditures 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 Combining and Individual Fund Financial Statements, Budgetary Comparison Schedules, and the Schedule of Assessment and Impact Fees and Related Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual 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.

To the Honorable Mayor and Members
of the City Council of the City of San Mateo
San Mateo, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, 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.

The PwC Group, LLP

Walnut Creek, California
January 6, 2026

Management of the City of San Mateo (the “City”) offers readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in our letter of transmittal, the financial statements, and notes. The focus of the information herein is on the primary government.

FINANCIAL HIGHLIGHTS

- The City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$947.3 million (net position), which is a \$91.5 million increase compared to the restated beginning net position. The total net position includes \$651.0 million in net investment in capital assets, \$135.7 million in restricted net position, and \$160.6 million in unrestricted net position.
- The beginning net position was restated to reflect the recalculation of compensated absence liabilities resulting from the implementation of GASB No. 101. As a result, the beginning net position decreased to \$855.8 million from 860.8 million as stated in the fiscal year 2023-24 financial statements. This \$5.0 million reduction is attributable to a \$5.0 million increase in compensated absence liabilities at the end of fiscal year 2023-24. Within the increase in prior year’s compensated absence liabilities, \$4.7 million and \$.3 million were associated with governmental activities and business-type activities, respectively.
- Total government-wide revenues from all sources was \$355.9 million, an increase of \$33.8 million from the prior year. Total revenues for governmental activities grew \$4.7 million from the previous year, largely due to increases in property taxes and real property transfer taxes. Business-type activities saw an increase of \$29.1 million in revenues compared to the prior year, primarily due to an increase in capital contributions from the sewer enterprise’s regional customers.
- During the fiscal year, the City drew a total of \$79.4 million from the Clean Water Revolving Fund Loan with the State Water Resources Control Board for the capital improvement projects of the wastewater treatment plant, jointly owned by San Mateo and Foster City/EMID. The new loan resulted in an increase of \$80.2 million in long-term debt compared to the prior fiscal year.
- Governmental funds reported combined fund balances of \$277.4 million, an increase of \$1.3 million or 0.5% in comparison with the prior year. Of the total fund balance, \$105.2 million is available for spending at the City’s discretion (unassigned fund balance).
- The Enterprise funds net position increased by \$79.1 million to \$469.4 million, an increase of 20.3% in comparison to the prior year restated fund balance. Of this amount, \$225.8 million was unrestricted net position and available for use at the City’s discretion.
- On June 30, 2025, the General Fund’s total fund balance was \$119.5 million. The General Fund recorded \$179.1 million in total revenues, \$176.6 million in total expenditure, and \$1 million in other financing uses, leading to a modest net gain of \$1.5 million in current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains the required supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses.

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

The Statement of Activities reports 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes, loan receivables, and earned but unused compensated leaves).

The governmental activities reflect the City's basic services, including general government, community development, public safety, public works, parks and recreation, and library. These services are principally financed by property, sales, and other taxes.

The business-type activities reflect private-sector-type operations where fees for services typically cover all or most of the cost of operations, including depreciation expenses. The City's sewer and storm enterprises are the activities reported in this category.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. Financial information for the City's one component unit, which is the San Mateo Joint Powers Financing Authority, is reported separately from the financial information presented for the primary government itself. The component unit, although legally separate, functions essentially as an agency of the City, and therefore is included as an integral part of the City. The government-wide financial statements can be found on pages 28-31 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The governmental funds comprise 19 individual funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Capital Projects funds, each of which is a major fund. Data for the other 17 governmental funds are combined into a single aggregated fund, the Non-major Governmental funds. Individual fund data for these Non-major Governmental funds is provided in the form of combining statements, beginning on page 142 of this report. The basic governmental fund financial statements can be found on pages 37-40 of this report.

Since July 1, 1986, the City has employed a two-year budget cycle. The two-year budget process includes preparation of two one-year expenditure plans and revenue estimates that are presented to the City Council for consideration. The focus of the first year of the business plan is the City's operating budget, while the focus of the second year of the business plan is the City's Capital Improvement Plan. In any budget cycle, to remain adaptable to changing economic and/or operational conditions, the City may choose to develop a one-year instead of a two-year budget plan.

Budgetary comparison schedules, beginning on page 128, have been provided to demonstrate compliance with these budgets in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The City maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer Fund and Storm Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general liability, fleet and building maintenance, vehicle and equipment replacement, workers' compensation, dental, and other employee benefit programs. The internal service funds provide services that predominantly benefit governmental rather than business-type functions. They have been included within governmental activities to reflect the consolidation for internal services fund activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund and Storm Fund. In the Statement of Net Position, data for each enterprise fund is presented separately while all the internal service funds are combined into a single aggregated presentation. Individual fund data for the non-major internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 43-47 of this report.

Fiduciary funds are used to account for resources held on behalf of outside parties, including other governments. When these assets are held under the terms of formal trust agreement, a private-purpose trust is used. The City maintains a private-purpose trust fund for the Successor Agency of the City of San Mateo Redevelopment Agency (Successor Agency). In addition, the City uses custodial funds for assets that the City is holding for San Mateo Consolidated Fire Department, the Community Facilities District No. 2008-01 (Bay Meadows), and other entities. Fiduciary funds generally are used to account for assets that the City holds on behalf of others as their agent. Fiduciary funds are not reported in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 51-52 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 59-123 of this report.

Other information, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information. This information includes the City's budgetary comparison schedules for all major governmental funds and the City's progress in funding its obligation for the provision of pension and other post-employment benefits to its employees. The combining statements supplementary information referred to earlier related to non-major funds and internal service funds are also presented in this section. Required supplementary information can be found on pages 127-137 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial performance. At the close of the fiscal year, the City's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$947.3 million.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following table presents a summary and net changes of the City's net position as of June 30, 2025, and June 30, 2024.

STATEMENT OF NET POSITION

(Amounts in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Current and other assets	\$ 384.0	\$ 391.9	\$ 361.7	\$ 261.2	\$ 745.7	\$ 653.1
Capital assets	500.1	482.6	839.1	784.2	1,339.2	1,266.8
Total assets	884.1	874.5	1,200.8	1,045.4	2,084.9	1,919.9
Deferred outflows - deferred loss on refunding	0.6	0.7	-	-	0.6	0.7
Deferred outflows - related to OPEB	4.2	4.5	0.6	0.7	4.8	5.2
Deferred outflows - related to pensions	38.4	52.7	3.8	4.9	42.2	57.6
Total deferred outflows of resources	43.2	57.9	4.4	5.6	47.6	63.5
Current liabilities	62.0	68.7	16.2	11.0	78.2	79.7
Non-current liabilities	377.6	386.8	703.8	633.2	1,081.4	1,020.0
Total liabilities	439.6	455.5	720.0	644.2	1,159.6	1,099.7
Deferred gain on refunding	-	-	15.6	16.1	15.6	16.1
Deferred inflows - related to leases	8.4	9.2	-	-	8.4	9.2
Deferred inflows - related to OPEB	1.4	1.8	0.2	0.3	1.6	2.1
Deferred inflows - related to pensions	-	0.4	-	0.1	-	0.5
Total deferred inflows of resources	9.8	11.4	15.8	16.5	25.6	27.9
Net investment in capital assets	407.4	412.9	243.6	206.0	651.0	618.9
Restricted	135.7	111.2	-	-	135.7	111.2
Unrestricted	(65.2)	(58.6)	225.8	184.3	160.6	125.7
Total net position (restated)	\$ 477.9	\$ 465.5	\$ 469.4	\$ 390.3	\$ 947.3	\$ 855.8

Non-current liabilities and the unrestricted net position of fiscal year 2023-24 have been restated to reflect the implementation of GASB No. 101 related to calculation of compensated absence liabilities. The total net position as of fiscal year 2023-24 was \$470.2 million before the restatement to \$465.5 million. Additional details regarding the restatement are provided on Note 19 on page 122 of this report.

As of June 30, 2025, the City reported within its net position \$651.0 million of net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), net of accumulated depreciation and less any related debt used to acquire those assets, that is still outstanding. This represents 68.7% of current net position. The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City also reported \$135.7 million, 14.3% of its net position, in restricted net position. These are resources subject to external restrictions as to how they may be used, such as housing and economic development, capital projects, debt service, and other purposes.

The remaining \$160.6 million in net position is unrestricted, representing 17.0% of the total net position. The unrestricted net position is available to fund day-to-day operations without any constraints established by debt covenants or other legal requirements or restrictions.

- In governmental activities, unrestricted net position decreased by \$6.6 million, resulting in a deficit of \$65.2 million as of June 30, 2025. This decline was primarily driven by a \$6.4 million increase in current expenditures compared to the prior year. The unrestricted net position remained in deficit, largely due to net pension liabilities of \$255.7 million and net OPEB liabilities of \$9.1 million.
- In business-type activities, unrestricted net position increased by \$41.5 million, rising from \$184.3 million in the prior year to \$225.8 million as of June 30, 2025. This increase was primarily driven by net income from the Sewer Fund operations.

The City's overall net position increased \$91.5 million from the previous year. The reasons for this overall increase are discussed in the following sections for the governmental activities and business-type activities.

STATEMENT OF ACTIVITIES

(Amounts in millions)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenues:						
Program revenues:						
Charges for services	\$ 41.7	\$ 40.1	\$ 88.7	\$ 81.3	\$ 130.4	\$ 121.4
Operating grants and contributions	13.3	11.0	-	-	13.3	11.0
Capital grants and contributions	4.4	13.2	25.6	8.2	30.0	21.4
General revenues:						
Property taxes	85.2	81.3	-	-	85.2	81.3
Sales taxes	31.7	32.4	-	-	31.7	32.4
Property transfer taxes	17.2	8.6	-	-	17.2	8.6
Business, hotel & other taxes	12.9	15.0	-	-	12.9	15.0
Franchise taxes	3.5	3.4	-	-	3.5	3.4
Investment earnings & other revenue	17.2	17.4	14.5	10.2	31.7	27.6
Total revenues	227.1	222.4	128.8	99.7	355.9	322.1
Expenses:						
General government	35.0	28.4	-	-	35.0	28.4
Community development	14.3	14.6	-	-	14.3	14.6
Public safety	97.6	95.3	-	-	97.6	95.3
Public works	30.1	31.4	-	-	30.1	31.4
Parks and recreation	24.6	25.2	-	-	24.6	25.2
Library	10.7	11.0	-	-	10.7	11.0
Interest on long term debt	2.4	2.4	-	-	2.4	2.4
Sewer	-	-	49.0	45.3	49.0	45.3
Storm	-	-	0.7	-	0.7	-
Total expenses	214.7	208.3	49.7	45.3	264.4	253.6
Increase (decrease) in net position before transfers						
	12.4	14.1	79.1	54.4	91.5	68.5
Change in net position	12.4	14.1	79.1	54.4	91.5	68.5
Net position - Beginning of Year (restated)	465.5	451.4	390.3	335.9	855.8	787.3
Net position - End of year	\$ 477.9	\$ 465.5	\$ 469.4	\$ 390.3	\$ 947.3	\$ 855.8

Expenses and unrestricted net position of fiscal year 2023-24 have been restated to reflect the implementation of GASB No. 101 related to calculation of compensated absence liabilities. Additional details regarding the restatement are provided on Note 19 on page 122 of this report.

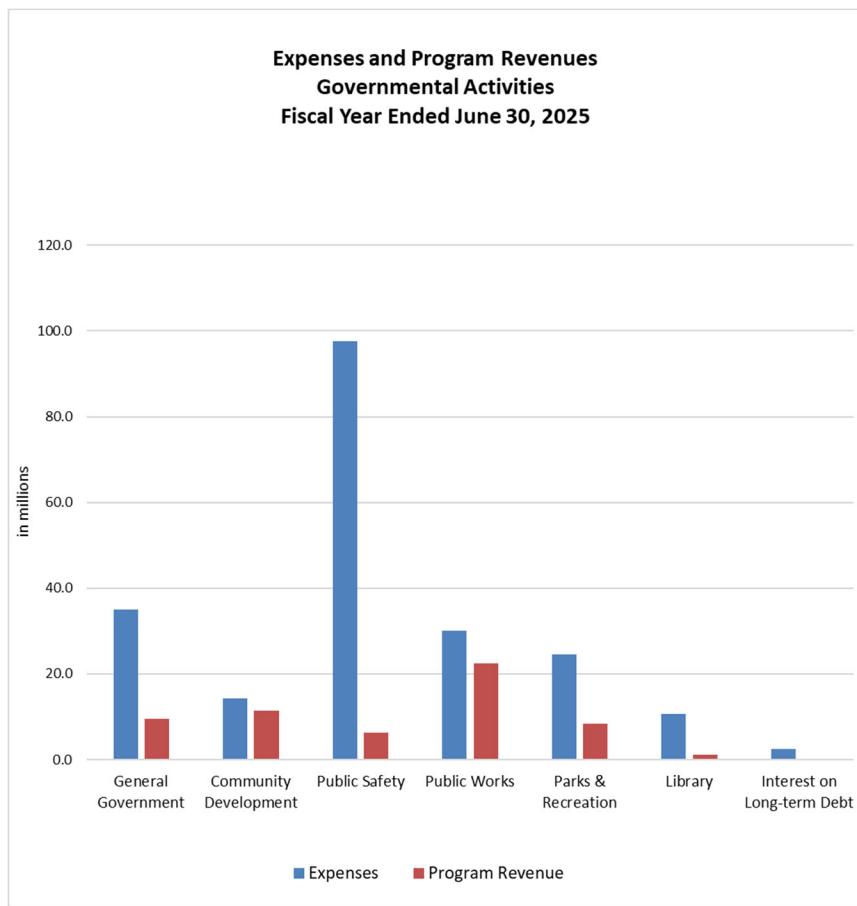
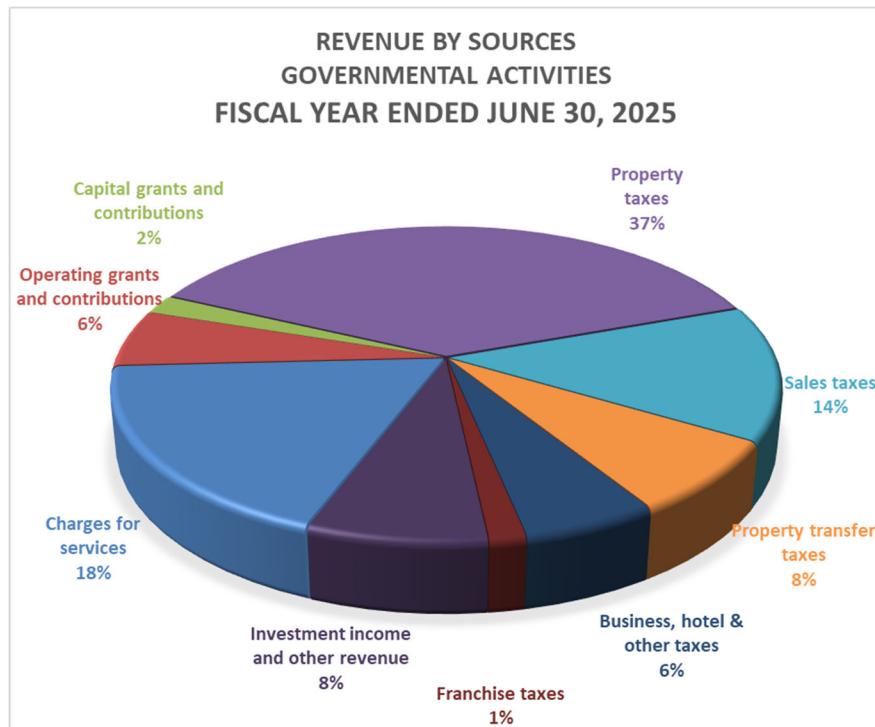
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's total net position by \$12.4 million. Key elements contributing to the increase are described below.

- Overall, total revenues from governmental activities were \$227.1 million, a \$4.7 million increase compared to the prior fiscal year, primarily attributed to the increased property tax and real property transfer tax revenues. For the same period, expenses totaled \$214.7 million, an increase of \$6.4 million from prior year.
- Property tax revenues in the governmental funds totaled \$85.2 million, an increase of \$3.9 million or 4.8%. Property tax revenues were largely comprised of secured current year property taxes, property tax in-lieu of vehicle license fees (VLF), and Excess Educational Revenue Augmentation Fund (ERAF). Secured property tax represented 60.7% of all property tax revenues and increased by \$0.9 million compared to the prior fiscal year, driven by new developments and reassessment of sold properties.
- For fiscal year 2024-25, VLF owed to the City was \$16.3 million, but only \$9.5 million was received, resulting in a VLF shortfall of \$6.8 million. At the same time, due to the two-year gap in reimbursing the VLF shortfall, the City received \$4.1 million of the fiscal year 2022-23 shortfall in fiscal year 2024-25, bringing the total VLF revenue to \$13.8 million, an increase of \$2.8 million (or 25.5%) from the prior year. For fiscal year 2025-26, the City anticipated receiving \$6.6 million in backfill from the fiscal year 2023-24 VLF shortfall. However, the State of California did not fully fund the VLF backfill in its fiscal year 2025-26 budget. Instead, the City only received \$4.5 million, 67% of the funding owed. The County of San Mateo along with all the cities within the County have filed a lawsuit with the State of California regarding the VLF funding shortfall.
- Real property transfer tax revenues totaled \$17.2 million, twice the level reported in the previous year. The passage of Measure CC in 2022 allowed the City to impose an additional 1% real property transfer tax on properties sold or transferred with a value of \$10 million or more. In the current year, the City received \$6.2 million in Measure CC revenue, a \$5.3 million increase from the prior year, which was the main factor behind the rise in total real property transfer tax revenues.
- The City recorded \$31.7 million in sales tax revenues, a decrease of \$0.7 million (or 2.2%) compared to the prior fiscal year. This decline was partially due to a decrease in service station and auto-transportation sales and a reduction in sales tax allocation from the County pool.
- Transient occupancy tax (TOT) revenues decreased from \$6.2 million in the prior year to \$5.5 million in current fiscal year, primarily due to the closure of the Marriott Hotel. Of the \$5.5 million in total TOT revenues, \$4.7 million was recorded in the General Fund and the remaining in the 2% Hotel Tax Fund.
- The City's governmental activities accounted for \$41.7 million in charges for services revenue, which was an increase of \$1.6 million (or 4.0%) compared to the prior fiscal year. This reflects the return of the program revenues to normal operational levels.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following charts of governmental activities revenue by source, expense, and program revenue were derived from the Statement of Activities.



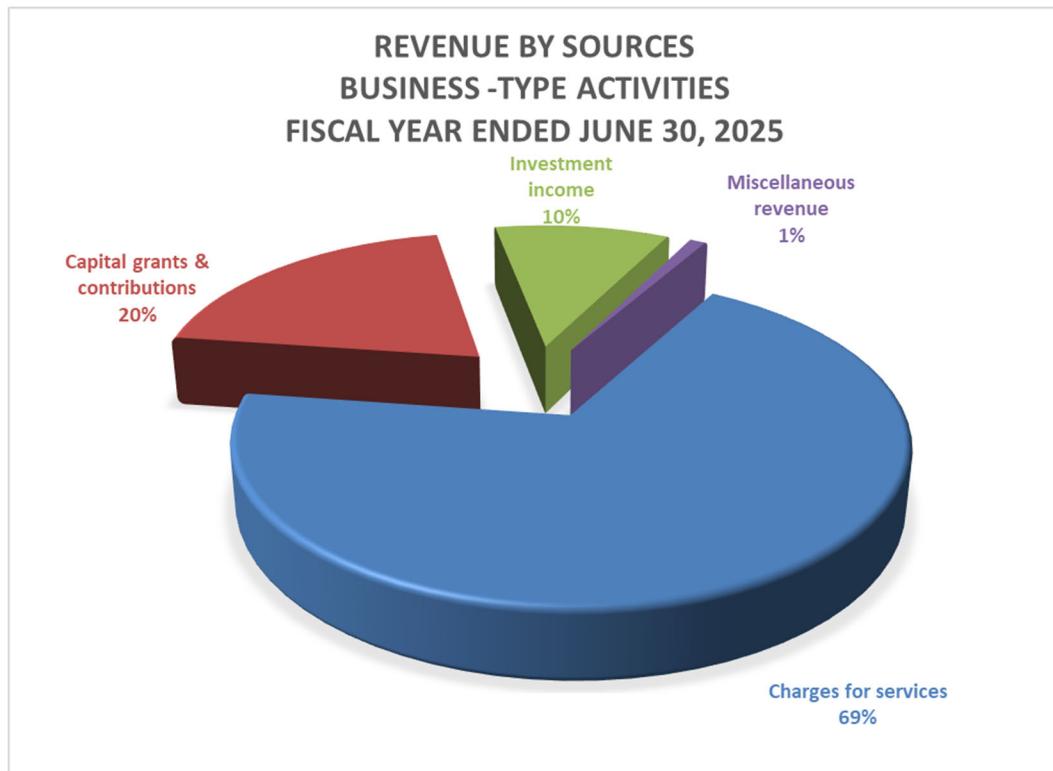
The cost of all governmental activities for the fiscal year ended June 30, 2025, was \$214.7 million. Some of the costs were paid by those directly benefiting from the programs (\$41.7 million), by other governments and organizations which subsidized programs with operating grants and contributions (\$13.3 million), or capital grants and contributions (\$4.4 million).

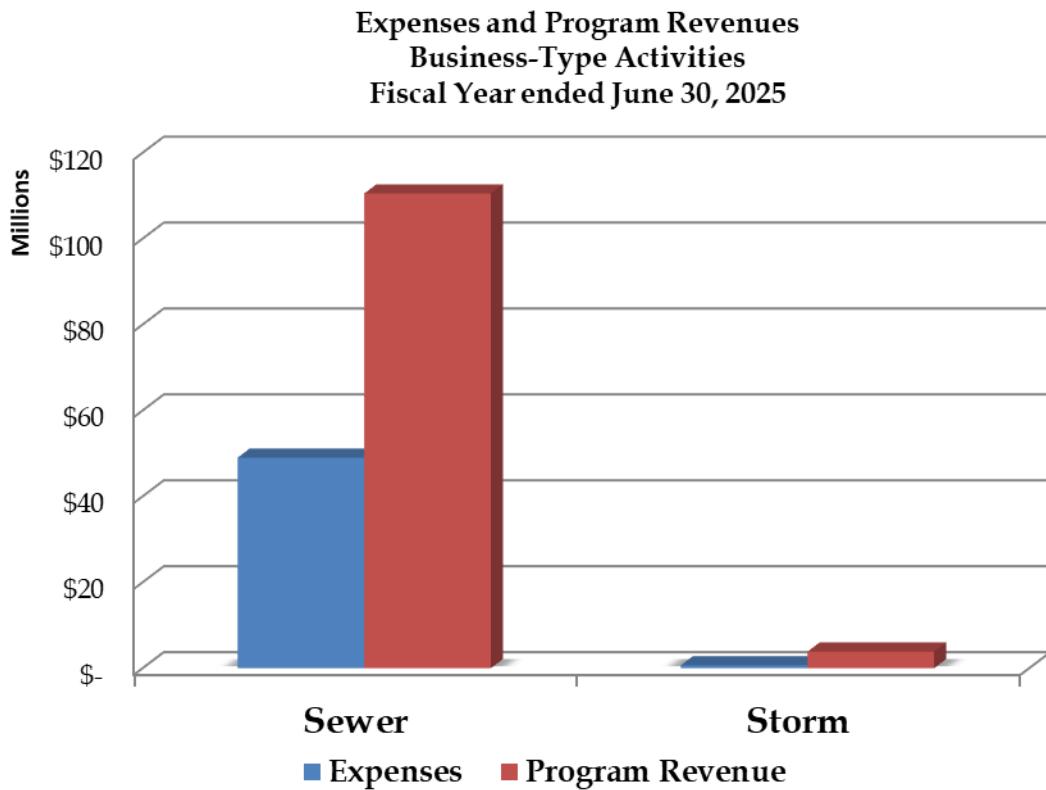
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$79.1 million. Key elements contributing to the increase are described below.

- Total program revenues of \$114.4 million, an increase of \$24.8 million from the prior year. This was primarily due to a \$17.4 million (or 212.2%) increase in capital grants and contributions.
- Charges for services increased by \$7.4 million to \$88.7 million from \$81.3 million in the prior year, primarily due to a 3% annual increase in the City's sewer service rates.
- The \$17.4 million increase in capital grants and contributions was primarily due to two Interim Capital Cost Agreements between the City of San Mateo and the Town of Hillsborough (the "Town"), and between the City of San Mateo and the Crystal Springs County Sanitation District (the "District") and the County of San Mateo (the "County"), for their share of project costs for the Clean Water Program. Since the Government-Wide Financial Statements (as well as the Sewer Enterprise Fund) are accounted on a full-accrual basis, the full amounts due from the Town, the District and the County are recognized as revenue although those loans will be paid over 30 years (discounted by the percentage of project completion). During the current fiscal year, in the Sewer Fund, the City recognized \$25.6 million capital contribution due from the Town of Hillsborough, the District and County, compared to \$7.9 million in previous year.

The following charts of business-type activities revenue by source, expense, and program revenues were derived from the Statement of Activities.





Total business-type activities expenses for the fiscal year ended June 30, 2025, were \$49.7 million, an increase of \$4.4 million or 9.7%, compared to the prior year. This increase reflects the rising cost of doing business amid sustained inflation.

Cash and investments of business-type activities totaled \$263.8 million, an increase of \$130.4 million compared to \$133.4 million in the prior year, mainly due to proceeds from the new loan from the Clean Water Revolving Fund Loan with the State Water Resources. Increases in investment income, charges for services, and capital contributions were also significant drivers behind the healthy cash position, which is intentional to provide strong liquidity during the construction phase of the Clean Water Program, as well as a robust debt coverage ratio consistent with the Sewer enterprise's AA credit rating.

Business type activities non-depreciable assets decreased from \$613.7 million to \$224.7 million, reflecting the capitalization of Sewer capital project construction activities for the sewer collection and treatment systems during the fiscal year. The wastewater treatment plant, jointly owned by San Mateo and Foster City/EMID, was opened in September 2025.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of June 30, 2025, the City's governmental funds combined ending fund balance was \$277.4 million, which was an increase of \$1.3 million from the prior fiscal year. Of the total fund balances, \$105.2 million is unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the primary operating fund of the City, as it accounts for nearly all tax revenues and the cost of core services. The unassigned fund balance of the General Fund was \$106.9 million, while the total fund balance was \$119.5 million. As a measure of liquidity, both unassigned fund balance and total fund balance can be compared to total fund expenditures. General Fund's unassigned fund balance and total fund balance represent approximately 60.5% and 67.7% respectively of total General Fund expenditures of \$176.6 million. The City Council policy is to have reserves of at least three months of budgeted operating expenditures. The adopted 2024-25 budget for General Fund expenditures (excluding transfers out) was \$168.8 million. Therefore, the minimum amount of General Fund reserves required for compliance with the reserve policy in fiscal year 2024-25 was \$27.1 million.

While the City's unassigned fund balance is above the policy goal, the uncertainties to the General Fund from ongoing trends, such as the decline in TOT revenues, a flattening of sales tax revenue, the VLF shortfall, and the impact of CalPERS investment performance on the City's pension contributions could likely result in a significant draw down on the General Fund's Contingency Reserve, which is included as part of the unassigned fund balance.

A history of governmental funds revenues, expenditures, and changes in fund balances for the last ten fiscal years can be found under the Statistical Section of this report.

The City will continue to monitor economic indicators that impact the City's tax revenues and expenditures, including:

- Ongoing elevated inflation, increasing the cost to purchase goods and services.
- The Federal Reserve's efforts to mitigate inflation have led to a higher Federal Funds Rate, but this appears to be changing based on the weakening job market and changing economy. This uncertainty within the economy makes it difficult to forecast home values and property taxes, sales tax revenues, and other impacts to the City's revenue base.
- The increased cost to borrow money, which has continued and places pressure on prospective home buyers, could dampen the City's real property transfer tax.

General Fund

The General Fund is the City's primary operating fund, supporting core services and accounting for most of tax revenues. In fiscal year 2024-25, General Fund total revenues increased by \$9.0 million or 5.3% to \$179.1 million. Major revenues include:

Property Tax

Property tax remains the City's largest and most stable revenue source, generating \$83.6 million in the fiscal year, \$5.0 million more than the prior fiscal year. An increase of \$2.8 million in Vehicle License Fee (VLF) in-lieu property tax revenue accounted for most of the increase in total property tax revenue.

Sales Tax

Sales tax revenue, the second largest revenue, decreased by \$0.7 million (or 2.5%) to \$27.1 million. The decrease was primarily due to a lower sales tax allocation from the County pool.

Other Taxes

Other taxes, primarily consisting of Transient Occupancy Tax (TOT), real property transfer tax (RPTT), business tax and franchise fees, totaled \$32.6 million in the fiscal year, reflecting an increase of \$6.7 million from the previous year. The City recorded \$4.7 million in TOT, \$17.2 million in RPTT, \$3.5 million franchise taxes and \$7.2 million in other taxes. TOT revenue declined \$.7 million due to the lingering effects of the Marriot Hotel closure. This decrease was offset by an \$8.6 million (99.7%) increase in RPTT, which included a \$3.3 million increase in traditional RPTT and a \$5.3 million increase in the voter approved Measure CC revenues from the prior year.

Charges for Services

Revenues from charges for services decreased by \$0.4 million (or 2.6%) to \$15.2 million.

Expenditures

General Fund expenditures totaled \$176.6 million, reflecting an increase of \$19.0 million (or 12.1%) compared to the prior year. The increase was due to a number of factors including \$9.1 million in increased expenses due to the inception of new lease liabilities per GASB 87. These lease liabilities were balanced out by an increase within Other Financing Sources and did not affect the fund balance. In addition, General Fund expenditures increased due to negotiated labor cost increases, fewer position vacancies, and rising operating expenses linked to inflation.

Fund Balance

For fiscal year 2024-25, the General Fund's total revenues (\$179.1 million) exceeded expenditures (\$176.6 million) by \$2.5 million, before \$1.0 million of other financing uses – which was primarily transfers out to capital projects fund and debt service funds, net of transfers in from other funds. This resulted in a net fund balance increase of \$1.5 million, increasing the General Fund balance to \$119.5 million.

General Capital Projects Fund

The General Capital Projects Fund was established to account for the City's major infrastructure improvement needs and other capital projects. At the close of fiscal year, the fund has a fund balance of \$54.7 million, decreased by \$4.1 million (or 7.0%) from the prior fiscal year. Total expenditures were \$34.1 million, funding various capital projects, including \$11.9 million for the citywide street rehabilitation and reconstruction program, \$3.2 million for storm and flood control improvements, \$4.3 million for parks projects, and \$14.7 million for city facilities and technology upgrades. The citywide street reconstruction projects specifically targeted streets identified as failed in 2013, while rehabilitation projects focused on street resurfacing, with the goal to maintain the City's Pavement Condition Index (PCI) at or above 70.

PROPRIETARY FUNDS

Proprietary Funds are comprised of enterprise and internal service funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but with some additional details.

Sewer Enterprise Fund

Sewer enterprise operations are the City's main business-type activity. Total sewer fund net position was \$466.1 million, an increase of \$75.8 million, or 16.3%, over the prior fiscal year.

The unrestricted net position of the Sewer Fund at the end of the fiscal year was \$222.5 million, an increase of \$38.2 million (or 20.7%) from the prior fiscal year. This is due primarily to the scheduled rate increase and capital contributions for the capital improvement projects of the wastewater treatment plant. The scheduled rate increase ensures the Sewer Fund maintains a strong cash position and debt service coverage ratio, aligned with the operational and capital project needs. This financial strength supports the fund's high credit rating and ensures compliance with its debt coverage requirements pursuant to debt indentures.

Storm Enterprise Fund

The Storm Fund is a new enterprise fund for the City in fiscal year 2024-25. In January 2024, property owners voted to approve the Community Flood and Storm Protection Fee Ballot Measure. This measure allows the City Council to levy stormwater fees starting in fiscal year 2024-25.

The unrestricted net position of the Storm Enterprise Fund at the end of the fiscal year was \$3.2 million, primarily from charges for services revenue. Total revenues for the Storm Fund were \$3.9 million, while total expenditures amounted to \$.7 million.

Internal Service Funds

The internal service funds' total net position of \$26.4 million increased by \$0.9 million or 3.5% from the prior year. The unrestricted net position at the end of the year was \$19.6 million, or 74.2% of total net position.

The Workers' Compensation Insurance Fund's net position increased by \$1.5 million to \$9.1 million. Revenue from charges for services is based on budget projections. The City continues to balance the workers' compensation collection rate charged to operating departments with proactive programs aimed at reducing frequency and severity of workers' compensation claims.

The Dental Self-Insurance Fund ended the fiscal year with a net position of \$0.9 million, the same as prior year's net position. The Benefits Fund's ending net position was \$1.6 million, an increase of \$0.5 million compared to the prior year.

The Comprehensive Liability Insurance Fund's ending net position declined from negative \$2.4 million to negative \$2.6 million, driven by higher insurance premiums.

The Vehicle and Equipment Replacement Fund ended fiscal year with a net position of \$17.4 million, a decrease of \$0.7 million (or 3.9%) compared to the prior fiscal year. This slight decline indicates that the current collection rates adequately cover vehicle and equipment replacement costs.

The Fleet and Building Maintenance Fund ended the year with a net position of \$0.0 million, a decrease of \$0.2 million from the prior fiscal year. While the current collection rates remain adequate, an increase in recovery rates may be necessary in future years to maintain the fund's long-term sustainability.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund adopted budget for fiscal year 2024-25 reflected a \$9.9 million deficit. In the final budget, total resources increased and charges to appropriations increased by \$14.3 million, resulting in no change to the overall deficit, which remained at \$9.9 million. However, by the close of the fiscal year, actual revenues closely matched total expenditures. As a result, the General Fund experienced a break-even year, with actual revenues exceeding budget projections and actual spending coming in under budget. The following schedule summarizes the General Fund budgetary comparison for the current fiscal year (amounts in millions).

SUMMARY OF GENERAL FUND BUDGETARY COMPARISON SCHEDULE

	Original Budget	Final Budget	Actual Results	Variance from Final Budget Favorable (Unfavorable)
Resources:				
Revenues	168.2	172.5	179.1	6.6
Transfers in	2.3	2.5	2.5	-
Inception of lease liability	-	9.1	9.1	-
Inception of subscription liability	-	0.7	0.7	-
Total resources	170.5	184.8	191.4	6.6
Charges to appropriations:				
Expenditures	168.8	180.7	176.6	4.1
Transfers out	11.6	14.0	13.3	0.7
Total charges	180.4	194.7	189.9	4.8
Net change in fund balance	<u><u>(9.9)</u></u>	<u><u>(9.9)</u></u>	1.5	<u><u>11.4</u></u>
Beginning fund balance			118.0	
Ending fund balance			\$ 119.5	

General Fund total resources - actual revenues and transfers in were \$6.6 million more than the final budgeted estimate, while total charges - actual expenditures and transfers out were \$4.8 million under the final budget. At the end of the fiscal year, the total fund balance of the General Fund was \$119.5 million, a slight increase of \$1.5 million compared to the prior fiscal year.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following schedule shows differences between the final estimated revenues and actual revenues of greater than \$1.0 million in value (amounts in millions).

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Other taxes	28.7	32.6	3.9
Intergovernmental	3.6	4.8	1.2
Charges for services	13.6	15.2	1.6
Investment income	5.2	6.6	1.4

Actual revenues outperformed estimates in most categories. Notably, other taxes exceeded expectations by \$3.9 million, primarily due to a significant amount of Real Property Transfer Tax and Measure CC revenue received in current year. Investment income exceeded expectations by \$1.4 million, and charges for services brought in \$1.6 million more than estimated Property taxes and sales tax stayed flat in current year.

Actual expenditure and transfers out were \$4.8 million less than the final budget. The largest favorable variance was from the public works and parks and recreation departments.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities as of June 30, 2025, amount to \$1.3 billion, which is \$72.4 million more than the prior year. The capital assets consist of land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure - park facilities, roads, highways, bridges, lighting systems, sewer and storm systems, and the golf course. Major capital asset activity during the current fiscal year included city-wide sanitary sewer and storm improvements, and city-wide street rehabilitation and reconstruction. Additional information on the City's capital assets can be found in Note 6 on pages 89-90 of this report.

CAPITAL ASSETS (Amounts in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Non-depreciable assets:						
Land	\$ 52.1	\$ 52.1	\$ 4.0	\$ 4.0	\$ 56.1	\$ 56.1
Construction in progress	45.0	30.4	220.7	609.7	265.7	640.1
Total non-depreciable assets	97.1	82.5	224.7	613.7	321.8	696.2
Depreciable assets (net of depreciation/amortization):						
Building and improvements	103.3	108.6	-	-	103.3	108.6
Treatment plant & transmission lines	-	-	612.5	169.4	612.5	169.4
Machinery and equipment	10.4	9.3	1.7	1.1	12.1	10.4
Infrastructure	274.2	276.7	-	-	274.2	276.7
Leased assets - buildings and improvements	5.5	0.4	-	-	5.5	0.4
Leased assets - machinery and equipment	5.6	-	-	-	5.6	-
Subscription Assets	4.0	5.1	0.2	-	4.2	5.1
Total depreciable/amortizable assets (net)	403.0	400.1	614.4	170.5	1,017.4	570.6
Total capital assets	\$ 500.1	\$ 482.6	\$ 839.1	\$ 784.2	\$ 1,339.2	\$ 1,266.8

LONG-TERM DEBT

At the end of the current fiscal year, the City had total long-term debt outstanding \$780.9 million. Of this amount, \$12.2 million comprises debt backed by the full faith and credit of the City. The remainder of outstanding debt is primarily composed of bonds and loans secured by specified revenue sources, e.g., sewer charges and loans.

OUTSTANDING DEBT General Obligation and Revenue Bonds (Amounts in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
General Obligation Bonds	\$ 12.2	\$ 14.0	\$ -	\$ -	\$ 12.2	\$ 14.0
Revenue Bonds	15.3	16.5	314.7	318.6	330.0	335.1
Advance Payable to other Governments	46.7	48.3	-	-	46.7	48.3
Loans payable	3.1	3.7	374.9	295.50	378.0	299.2
Lease liability	11.1	0.4	-	-	11.1	0.4
Subscription Liability	2.7	3.7	0.20	-	2.9	3.7
Total outstanding debt	91.1	86.6	689.8	614.1	780.9	700.7

The City's rating for General Obligation Bonds is AA+ from Standard & Poor's and AAA from Moody's. Standard & Poor's has assigned a rating of Aa2 for the City's revenue bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is approximately \$5.8 billion, and at June 30, 2025, the City was only at 0.21% of its legal debt limit. Additional information on the City of San Mateo's long-term debt can be found in Note 7 and statistical section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of San Mateo continues to benefit from a strong regional economy characterized by low unemployment and steady economic growth. As of June 2025, San Mateo County's unemployment rate remained under 4%, reflecting a strong local job market that outperforms the state average. This economic strength has supported stable revenue streams for the City despite challenges in specific sectors.

The real estate market showed signs of slowing during fiscal year 2024-25 due to the sustained high-interest rate environment. While single family residential property sales activity has cooled, the median home price in San Mateo has remained stable, demonstrating the City housing market's resilience and strength. During the fiscal year 2024-25, several commercial properties changed ownership, and this trend continued into the new fiscal year. The City has seen increases in Real Property Transfer Tax (RPTT) and the voter approved Measure CC revenues as a result.

General Fund

Despite these positive factors, balancing the General Fund's budget is challenging. While the City's revenues are stable, expenditures have increased due to rising labor costs and sustained inflation and there continues to be a need to invest in the community's infrastructure and improve services.

The General Fund is projecting a budget deficit in fiscal year 2025-26, with \$175.8 million in total revenues (including transfers in) and \$187.8 million in expenditures (including transfers out), resulting in a deficit of \$12.0 million.

The adopted fiscal year 2025-26 General Fund budget reflects careful planning of our financial resources, balancing the need to maintain high service levels with the realities of economic uncertainty. Modest revenue growth is projected across most major revenue sources, with particular attention to the performance of General Fund's property tax (including VLF), sales tax, RPTT and TOT. Expenditure growth remains focused on maintaining essential services, with continued investments in public safety, infrastructure, and community services.

Personnel costs, including negotiated salary adjustments and rising pension and healthcare contributions, continue to add pressure on the General Fund. These cost factors have been incorporated into the City's long-term financial forecast.

The General Fund Reserve Policy has been amended and is incorporated into the adopted fiscal year 2025-26 Annual Budget as summarized here. A Contingency Reserve will be maintained at 15% of the General Fund budgeted operational expenditures. Per the most recent Housing Element language, 20% of RDA residual property tax will be allocated annually to the Housing Set-Aside Reserve at the discretion of the City Council. A Budget Stabilization Reserve will be set at 15% of the General Fund budgeted revenues. Finally, a Pension Stabilization Reserve has also been established to mitigate impacts of rising pension costs and prevent unexpected increases in unfunded pension liabilities from affecting city services. Overall, the General Fund Reserve is healthy as of June 30, 2025, with over \$119.5 million available to fund these various reserves. These funds provide the City in fiscal year 2025-26 as well as in future budget years with a financial runway to develop and implement a comprehensive financial sustainability plan, which will focus on balancing the budget, continuing investment in facilities and infrastructure to meet community needs and preserving the City's long-term financial health.

The fiscal year 2025-26 budget reflects the City's commitment to fiscal responsibility. By leveraging its strong reserve position and adhering to prudent fiscal policies, the City is well-positioned to navigate future economic challenges while continuing to deliver high-quality services to the community.

Capital Projects Fund

In June 2025, the City Council approved the five-year Capital Improvement Plan (CIP) and fiscal year 2025-26 Capital Budget. The five-year CIP reflects the City's commitment to improve and maintain City facilities and infrastructure, by investing \$270 million over the next five years in capital projects, with \$61.5 million for 2025-26. New funding and major changes included: increases in funding for roadway and bike/pedestrian capital improvements, as well as major capital improvement to exiting street rehabilitation and reconstruction projects, storm and flood control improvement projects, park projects, and city facilities and technology upgrades.

Sewer Fund

Sewer rates are scheduled to increase 3.0% in fiscal year 2025-26. Revenues collected through the sewer service charges are used to fund sewer sanitary operations and capital improvement projects. San Mateo's upgraded wastewater treatment plant began operations in September 2025.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of San Mateo'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 financial information should be addressed to the Finance Director, 330 West 20th Avenue, San Mateo, California, 94403.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of San Mateo
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 339,415,287	\$ 263,825,699	\$ 603,240,986
Accounts receivable, net	4,168,786	5,304,750	9,473,536
Interest receivable	4,138,977	359,369	4,498,346
Taxes receivable	6,433,903	-	6,433,903
Grants receivable	2,462,447	-	2,462,447
Leases receivable - current	320,612	-	320,612
Prepaid items, inventory, and deposits	930,264	359	930,623
Total current assets	357,870,276	269,490,177	627,360,453
Noncurrent assets:			
Restricted cash and investments	3,008,208	30,534,830	33,543,038
Investment in JPA	10,177,664	-	10,177,664
Leases receivable	9,060,965	-	9,060,965
Loans and notes receivable, net	3,926,992	61,738,459	65,665,451
Capital assets:			
Non-depreciable	97,057,767	224,663,981	321,721,748
Depreciable/amortizable, net	403,015,043	614,386,446	1,017,401,489
Total capital assets	500,072,810	839,050,427	1,339,123,237
Total noncurrent assets	526,246,639	931,323,716	1,457,570,355
Total assets	884,116,915	1,200,813,893	2,084,930,808
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	576,942	-	576,942
Related to OPEB	4,241,692	592,207	4,833,899
Related to pensions	38,378,021	3,773,247	42,151,268
Total deferred outflows of resources	43,196,655	4,365,454	47,562,109

City of San Mateo
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	24,795,208	1,091,763	25,886,971
Retention payable	5,123,396	-	5,123,396
Accrued payroll	3,024,419	392,646	3,417,065
Deposits payable	11,314,030	41,447	11,355,477
Interest payable	595,738	6,816,704	7,412,442
Unearned revenue	5,187,959	-	5,187,959
Compensated absences - due within one year	1,467,210	131,511	1,598,721
Claims payable - due within one year	3,998,000	-	3,998,000
Landfill postclosure cost payable - due within one year	119,689	-	119,689
Long-term debt - due within one year	6,408,422	7,689,263	14,097,685
Total current liabilities	<u>62,034,071</u>	<u>16,163,334</u>	<u>78,197,405</u>
Noncurrent liabilities:			
Net OPEB liability	9,067,185	1,294,795	10,361,980
Net pension liability	255,682,682	19,391,597	275,074,279
Compensated absences - due in more than one year	11,871,066	1,064,040	12,935,106
Claims payable - due in more than one year	14,537,000	-	14,537,000
Landfill postclosure cost payable - due in more than one year	1,678,339	-	1,678,339
Long-term debt - due in more than one year	84,720,805	682,080,670	766,801,475
Total noncurrent liabilities	<u>377,557,077</u>	<u>703,831,102</u>	<u>1,081,388,179</u>
Total liabilities	<u>439,591,148</u>	<u>719,994,436</u>	<u>1,159,585,584</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	-	15,624,392	15,624,392
Related to leases	8,413,493	-	8,413,493
Related to OPEB	1,442,863	171,836	1,614,699
Total deferred inflows of resources	<u>9,856,356</u>	<u>15,796,228</u>	<u>25,652,584</u>
NET POSITION			
Net investment in capital assets	<u>407,405,337</u>	<u>243,595,525</u>	<u>651,000,862</u>
Restricted:			
Housing and economic development	12,549,087	-	12,549,087
Capital projects	90,567,587	-	90,567,587
Debt service	8,422,573	-	8,422,573
Landfill post-closure maintenance	4,496,945	-	4,496,945
Public safety	626,480	-	626,480
Solid waste and landfill	18,989,116	-	18,989,116
Total restricted	<u>135,651,788</u>	<u>-</u>	<u>135,651,788</u>
Unrestricted (deficit)	<u>(65,191,059)</u>	<u>225,793,158</u>	<u>160,602,099</u>
Total net position	<u>\$ 477,866,066</u>	<u>\$ 469,388,683</u>	<u>\$ 947,254,749</u>

City of San Mateo
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	
Primary government:						
Governmental activities:						
General government	\$ 35,035,480	\$ 6,846,213	\$ 2,555,269	\$ 207,867	\$ 9,609,349	
Community development	14,329,357	10,777,794	740,943	23,608	11,542,345	
Public safety	97,594,346	2,992,438	3,200,895	-	6,193,333	
Public works	30,139,286	12,960,751	6,287,157	3,191,854	22,439,762	
Parks and recreation	24,557,407	7,748,286	385,268	265,349	8,398,903	
Library	10,671,815	360,115	143,956	730,783	1,234,854	
Interest on long-term debt	2,368,152	-	-	-	-	
Total governmental activities	<u>214,695,843</u>	<u>41,685,597</u>	<u>13,313,488</u>	<u>4,419,461</u>	<u>59,418,546</u>	
Business-type activities:						
Sewer	49,007,101	84,891,876	-	25,614,442	110,506,318	
Storm	678,770	3,859,759	-	-	3,859,759	
Total business-type activities	<u>49,685,871</u>	<u>88,751,635</u>	<u>-</u>	<u>25,614,442</u>	<u>114,366,077</u>	
Total primary government	\$ 264,381,714	\$ 130,437,232	\$ 13,313,488	\$ 30,033,903	\$ 173,784,623	

City of San Mateo
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (25,426,131)	\$ -	\$ (25,426,131)
Community development	(2,787,012)	-	(2,787,012)
Public safety	(91,401,013)	-	(91,401,013)
Public works	(7,699,524)	-	(7,699,524)
Parks and recreation	(16,158,504)	-	(16,158,504)
Library	(9,436,961)	-	(9,436,961)
Interest on long-term debt	(2,368,152)	-	(2,368,152)
Total governmental activities	<u>(155,277,297)</u>	<u>-</u>	<u>(155,277,297)</u>
Business-type activities:			
Sewer	-	61,499,217	61,499,217
Storm	-	3,180,989	3,180,989
Total business-type activities	<u>-</u>	<u>64,680,206</u>	<u>64,680,206</u>
Total primary government	(155,277,297)	64,680,206	(90,597,091)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	85,234,112	-	85,234,112
Sales taxes	31,672,809	-	31,672,809
Property transfer taxes	17,243,318	-	17,243,318
Transient occupancy taxes	5,485,684	-	5,485,684
Business license taxes	7,067,753	-	7,067,753
Franchise taxes	3,485,831	-	3,485,831
Other taxes	282,718	-	282,718
Total taxes	<u>150,472,225</u>	<u>-</u>	<u>150,472,225</u>
Investment income	16,073,461	13,252,318	29,325,779
Gain (loss) on sale of capital assets	-	2,825	2,825
Miscellaneous revenue	1,104,241	1,210,069	2,314,310
Total general revenues and transfers	167,649,927	14,465,212	182,115,139
Change in net position	12,372,630	79,145,418	91,518,048
Net Position:			
Beginning of year, as restated (Note 19)	465,493,436	390,243,265	855,736,701
End of year	<u>\$ 477,866,066</u>	<u>\$ 469,388,683</u>	<u>\$ 947,254,749</u>

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

Governmental Funds Financial Statements

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

General Capital Projects Fund - This fund accounts for the expenditures for capital improvements for the City, including equipment, acquisition and construction of parks, recreation areas, public safety facilities or other public works. The primary sources of funding are intergovernmental revenues, Measure A (half cent sales tax), developer impact fees and transfers from other governmental funds.

This page intentionally left blank.

City of San Mateo
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	General Capital Projects Fund	Non-major Governmental Funds	Governmental Funds	
ASSETS					
Cash and investments	\$ 125,723,745	\$ 72,603,661	\$ 103,416,497	\$ 301,743,903	
Restricted cash and investments held by fiscal agents	-	2,950,609	57,599	3,008,208	
Accounts receivable, net	1,591,119	336,605	1,458,753	3,386,477	
Interest receivable	4,137,334	1,455	188	4,138,977	
Taxes receivable	5,363,428	236,243	834,232	6,433,903	
Grants receivable	443,266	1,413,560	602,578	2,459,404	
Leases receivable	9,381,577	-	-	9,381,577	
Prepaid items, inventory, and deposits	284,638	-	3,502	288,140	
Due from other funds	1,802,372	-	-	1,802,372	
Loans and notes receivable, net	-	416,882	3,510,110	3,926,992	
Total assets	\$ 148,727,479	\$ 77,959,015	\$ 109,883,459	\$ 336,569,953	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,849,709	\$ 17,281,972	\$ 949,280	\$ 24,080,961	
Retention payable	-	5,123,396	-	5,123,396	
Accrued payroll	2,697,292	-	269,670	2,966,962	
Due to other funds	-	-	1,802,372	1,802,372	
Deposits payable	10,517,240	-	657,534	11,174,774	
Unearned revenues	1,710,884	816,754	2,660,321	5,187,959	
Total liabilities	20,775,125	23,222,122	6,339,177	50,336,424	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	37,561	352,848	390,409	
Related to leases	8,413,493	-	-	8,413,493	
Total deferred inflows of resources	8,413,493	37,561	352,848	8,803,902	
Fund Balances:					
Nonspendable	284,638	-	3,502	288,140	
Restricted	575,000	32,790,715	104,941,433	138,307,148	
Assigned	11,747,524	21,908,617	-	33,656,141	
Unassigned (deficit)	106,931,699	-	(1,753,501)	105,178,198	
Total fund balances	119,538,861	54,699,332	103,191,434	277,429,627	
Total liabilities, deferred inflows of resources, and fund balances	\$ 148,727,479	\$ 77,959,015	\$ 109,883,459	\$ 336,569,953	

City of San Mateo
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	\$ 277,429,627
---	-----------------------

Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements. 390,409

Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Government-Wide Statement of Net Position	500,072,810
Less: capital assets reported in Internal Service Funds	<u>(6,838,074)</u>
Total capital assets	493,234,736

Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.

Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(1,467,210)
Compensated absences - due in more than one year	(11,871,066)
Long-term debt - due within one year	(6,408,422)
Long-term debt - due in more than one year	(84,720,805)
Landfill postclosure cost payable - due within one year	(119,689)
Landfill postclosure cost payable - due in more than one year	<u>(1,678,339)</u>
Total long-term liabilities	(106,265,531)

Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.

Investment in joint ventures are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.

Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Net pension liability	(255,682,682)
Net OPEB liability	<u>(9,067,185)</u>
Total	(264,749,867)

Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	4,241,692
Deferred outflows of resources related to pensions	<u>38,378,021</u>
Total deferred outflows of resources	42,619,713

Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	(1,442,863)
Deferred inflows of resources related to pensions	-
Total deferred inflows of resources	(1,442,863)

Internal service funds are used by management to charge the cost of fleet management, risk management, information technology, and building maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

26,490,974

Net Position of Governmental Activities	\$ 477,866,066
--	-----------------------

City of San Mateo
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds			
	General Fund	General Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 83,534,637	\$ -	\$ 1,699,475	\$ 85,234,112
Sales taxes	27,118,537	4,554,272	-	31,672,809
Other taxes	32,625,541	-	939,762	33,565,303
Licenses, building and other permits	99,371	-	7,476,592	7,575,963
Fines, forfeitures and penalties	2,199,413	5,526	4,739,370	6,944,309
Intergovernmental	4,800,016	3,218,316	8,316,885	16,335,217
Charges for services	15,191,614	-	4,269,896	19,461,510
Investment income	6,601,231	3,042,944	4,611,492	14,255,667
Assessments and garbage collection	-	537,868	1,772,894	2,310,762
Parking meter and lease revenue	3,236,263	-	-	3,236,263
Capital contributions	-	462,473	119,939	582,412
Other revenues	3,687,453	104,677	497,604	4,289,734
Total revenues	179,094,076	11,926,076	34,443,909	225,464,061
EXPENDITURES:				
Current:				
General government:				
City Council	376,910	-	-	376,910
City Manager	2,596,915	-	390,632	2,987,547
City Clerk	1,145,043	-	-	1,145,043
City Attorney	1,157,108	-	289,279	1,446,387
Finance	4,290,342	-	45,658	4,336,000
Information technology	4,356,356	-	117,643	4,473,999
Human resources	2,334,340	-	-	2,334,340
Community development	2,478,828	-	11,496,735	13,975,563
Public safety:				
Police	62,095,869	-	1,497,560	63,593,429
Fire	28,747,664	-	-	28,747,664
Public works	10,892,157	-	5,236,940	16,129,097
Parks and recreation	22,133,257	-	-	22,133,257
Library	9,258,253	-	-	9,258,253
Non-departmental	11,856,642	-	358,463	12,215,105
Capital outlay	9,956,613	33,449,410	1,989,378	45,395,401
Debt service:				
Principal	2,612,396	587,515	3,168,773	6,368,684
Interest and fiscal charges	271,117	68,935	2,374,465	2,714,517
Total expenditures	176,559,810	34,105,860	26,965,526	237,631,196
REVENUES OVER (UNDER) EXPENDITURES	2,534,266	(22,179,784)	7,478,383	(12,167,135)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	5,901	-	-	5,901
Inception of lease liability	9,097,993	2,376,776	-	11,474,769
Inception of subscription liability	696,727	-	73,324	770,051
Transfers in	2,535,500	15,695,263	3,040,000	21,270,763
Transfers out	(13,288,867)	-	(6,772,467)	(20,061,334)
Total other financing sources (uses)	(952,746)	18,072,039	(3,659,143)	13,460,150
NET CHANGE IN FUND BALANCES	1,581,520	(4,107,745)	3,819,240	1,293,015
FUND BALANCES:				
Beginning of year	117,957,341	58,807,077	99,372,194	276,136,612
End of year	\$ 119,538,861	\$ 54,699,332	\$ 103,191,434	\$ 277,429,627

See accompanying Notes to the Basic Financial Statements.

City of San Mateo
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 1,293,015
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period (net of \$1,048,674 added in internal service funds) (\$668,170 of the governmental fund capital outlay expenditures were included within functional expenditures categories).	46,063,571
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation and amortization expense, net of internal service funds of \$1,311,521, was not reported as expenditures in the Governmental Funds.	(22,527,648)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position (net of \$74,946 reported in the internal services fund).	(4,826,999)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Lease liability	(11,474,769)
Subscription liability	(770,051)
Due to the termination of a subscription-based information technology arrangement related to the fire operations system the SMC Fire derecognized the related subscription asset and liability, resulting in a gain of recognized in the statement of activities as follows:	
Subscription asset, net	(890,811)
Subscription liability	824,780
Gain/(loss) on termination	<u>(66,031)</u>
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	6,368,684
Amortization of bond premium	490,640
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.	(122,345)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	(21,930)
Payment of landfill closure and postclosure cost payable was an expenditure in governmental funds, but the payment reduced landfill closure and postclosure cost liabilities in the Government-Wide Statement of Net Position. Increases in the liability were reflected as expenses in the Government-Wide Statement of Activities, however, no expenditures are reported in the governmental funds.	(69,076)
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(347,943)
Revenues that are not considered to be available are reported as unavailable revenues in the governmental funds, however, these amounts are recognized in the Government-Wide Statement of Activities. This amount represents the change in unavailable revenues.	36,784
Investment in joint ventures are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount represents the change in joint ventures.	(2,562,717)
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(14,288,945)
Changes in net pension liabilities	13,353,589
Changes in pension related deferred inflows of resources	414,055
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	(302,155)
Changes in total OPEB liabilities	414,405
Changes in OPEB related deferred inflows of resources	340,191
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	978,305
Change in Net Position of Governmental Activities	<u><u>\$ 12,372,630</u></u>

See accompanying Notes to the Basic Financial Statements.

Proprietary Funds Financial Statements

Sewer Fund - This fund is used to account for the activities of the City's wastewater collection and treatment operations.

Storm Fund - This fund is used to account for the activities of the City's stormwater collection, drainage and storage system, to safeguard neighborhoods from flooding and protect local waterways from pollution.

Internal Service Funds - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

This page intentionally left blank.

City of San Mateo
Statement of Net Position
Proprietary Funds
June 30, 2025

	Major Fund Sewer Fund	Non-major Fund Storm Fund	Total	Governmental Activities Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 260,279,687	\$ 3,546,012	\$ 263,825,699	\$ 37,671,384
Accounts receivable, net	5,304,750	-	5,304,750	782,309
Grants receivable	-	-	-	3,043
Interest receivable	359,369	-	359,369	-
Prepaid items, inventory, and deposits	359	-	359	642,124
Total current assets	<u>265,944,165</u>	<u>3,546,012</u>	<u>269,490,177</u>	<u>39,098,860</u>
Noncurrent assets:				
Restricted cash and investments	30,534,830	-	30,534,830	-
Loans and notes receivable, net	61,738,459	-	61,738,459	-
Capital assets:				
Non-depreciable	224,599,716	64,265	224,663,981	-
Depreciable, net	614,315,974	70,472	614,386,446	6,838,074
Total capital assets	<u>838,915,690</u>	<u>134,737</u>	<u>839,050,427</u>	<u>6,838,074</u>
Total noncurrent assets	<u>931,188,979</u>	<u>134,737</u>	<u>931,323,716</u>	<u>6,838,074</u>
Total assets	<u>1,197,133,144</u>	<u>3,680,749</u>	<u>1,200,813,893</u>	<u>45,936,934</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	593,707	(1,500)	592,207	-
Related to pensions	<u>3,704,439</u>	<u>68,808</u>	<u>3,773,247</u>	<u>-</u>
Total deferred outflow of resources	<u>4,298,146</u>	<u>67,308</u>	<u>4,365,454</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,088,039	3,724	1,091,763	714,247
Accrued payroll	386,339	6,307	392,646	57,457
Deposits payable	41,447	-	41,447	139,256
Interest payable	6,816,682	22	6,816,704	-
Compensated absences - due within one year	130,884	627	131,511	-
Claims payable - due within one year	-	-	-	3,998,000
Long-term debt - due within one year	<u>7,665,441</u>	<u>23,822</u>	<u>7,689,263</u>	<u>-</u>
Total current liabilities	<u>16,128,832</u>	<u>34,502</u>	<u>16,163,334</u>	<u>4,908,960</u>
Noncurrent liabilities:				
Net OPEB liability	1,296,853	(2,058)	1,294,795	-
Net pension liability	<u>19,037,976</u>	<u>353,621</u>	<u>19,391,597</u>	<u>-</u>
Compensated absences - due in more than one year	1,058,970	5,070	1,064,040	-
Claims payable - due in more than one year	-	-	-	14,537,000
Long term debt - due in more than one year	<u>682,054,941</u>	<u>25,729</u>	<u>682,080,670</u>	<u>-</u>
Total noncurrent liabilities	<u>703,448,740</u>	<u>382,362</u>	<u>703,831,102</u>	<u>14,537,000</u>
Total liabilities	<u>719,577,572</u>	<u>416,864</u>	<u>719,994,436</u>	<u>19,445,960</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	15,624,392	-	15,624,392	-
Related to OPEB	<u>173,525</u>	<u>(1,689)</u>	<u>171,836</u>	<u>-</u>
Total deferred inflows of resources	<u>15,797,917</u>	<u>(1,689)</u>	<u>15,796,228</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	243,510,339	85,186	243,595,525	6,838,074
Unrestricted	<u>222,545,462</u>	<u>3,247,696</u>	<u>225,793,158</u>	<u>19,652,900</u>
Total net position	<u>\$ 466,055,801</u>	<u>\$ 3,332,882</u>	<u>\$ 469,388,683</u>	<u>\$ 26,490,974</u>

See accompanying Notes to the Basic Financial Statements.

This page intentionally left blank.

City of San Mateo
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Major Fund	Non-major Fund	Governmental Activities	
			Internal	Service Funds
			Service Funds	
OPERATING REVENUES:				
Charges for services	\$ 84,891,876	\$ 3,859,759	\$ 88,751,635	\$ 65,153,794
Other	1,210,069	-	1,210,069	687,293
Total operating revenues	86,101,945	3,859,759	89,961,704	65,841,087
OPERATING EXPENSES:				
Personnel services	15,181,698	586,608	15,768,306	50,678,437
Materials and supplies	14,752,099	89,089	14,841,188	13,270,741
Depreciation and amortization	5,133,070	2,851	5,135,921	1,311,521
Total operating expenses	35,066,867	678,548	35,745,415	65,260,699
OPERATING INCOME	51,035,078	3,181,211	54,216,289	580,388
NONOPERATING REVENUES (EXPENSES):				
Investment income	13,100,425	151,893	13,252,318	1,524,585
Gain on sale of capital assets	2,825	-	2,825	39,718
Grants	-	-	-	43,043
Interest expense	(13,940,234)	(222)	(13,940,456)	-
Total nonoperating revenues (expenses)	(836,984)	151,671	(685,313)	1,607,346
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	50,198,094	3,332,882	53,530,976	2,187,734
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	25,606,320	-	25,606,320	-
Impact fees	8,122	-	8,122	-
Transfers in	-	-	-	2,410,000
Transfers out	-	-	-	(3,619,429)
Total capital contributions and transfers	25,614,442	-	25,614,442	(1,209,429)
Changes in net position	75,812,536	3,332,882	79,145,418	978,305
NET POSITION:				
Beginning of year, as restated (Note 19)	390,243,265	-	390,243,265	25,512,669
End of year	\$ 466,055,801	\$ 3,332,882	\$ 469,388,683	\$ 26,490,974

City of San Mateo
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Major Fund	Non-major Fund		Governmental Activities Internal Service Funds
	Sewer Fund	Storm Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 91,930,942	\$ 3,859,759	\$ 95,790,701	\$ 65,092,229
Cash payments to suppliers for goods and services	(14,750,107)	(85,365)	(14,835,472)	(12,677,802)
Cash payments to employees for services	(13,309,451)	(292,038)	(13,601,489)	(50,738,454)
Cash received from others	1,210,069	-	1,210,069	687,293
Net cash provided by operating activities	65,081,453	3,482,356	68,563,809	2,363,266
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	-	2,410,000
Transfers out	-	-	-	(3,619,429)
Net cash (used in) noncapital financing activities	-	-	-	(1,209,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants and contributions	-	-	-	43,043
Impact fees	8,122	-	8,122	-
Proceeds from sale of capital assets	2,825	-	2,825	56,443
Acquisition of capital assets, net	(34,198,353)	(137,588)	(34,335,941)	(1,048,674)
Proceeds from issuance of debt	79,404,594	-	79,404,594	-
Inception of SBITA agreement	146,647	73,324	219,971	-
Principal payment of long-term debt	(3,663,905)	(23,773)	(3,687,678)	-
Interest paid on debt and fiscal charges	(14,727,642)	(200)	(14,727,842)	-
Net cash (used in) capital and related financing activities	26,972,288	(88,237)	26,884,051	(949,188)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	13,384,759	151,893	13,536,652	1,524,585
Net cash provided by investing activities	13,384,759	151,893	13,536,652	1,524,585
Net change in cash and cash equivalents	105,438,500	3,546,012	108,984,512	1,729,234
CASH AND CASH EQUIVALENTS:				
Beginning of year	185,376,017	-	185,376,017	35,942,150
End of year	\$ 290,814,517	\$ 3,546,012	\$ 294,360,529	\$ 37,671,384
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and cash investments	\$ 260,279,687	\$ 3,546,012	\$ 263,825,699	\$ 37,671,384
Restricted cash and investments	30,534,830	-	30,534,830	-
Total cash and cash equivalents	\$ 290,814,517	\$ 3,546,012	\$ 294,360,529	\$ 37,671,384

City of San Mateo
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Major Fund	Non-major Fund	Non-major Fund	Governmental Activities
	Sewer Fund	Storm Fund	Storm Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income				
	\$ 51,035,078	\$ 3,181,211	\$ 54,216,289	\$ 580,388
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	5,133,070	2,851	5,135,921	1,311,521
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	30,794,277	-	30,794,277	(58,522)
Grants receivable	-	-	-	(3,043)
Prepaid items, inventory, and deposits	(359)	-	(359)	(37,950)
Loans and notes receivable, net	(22,739,402)	-	(22,739,402)	-
Deferred outflows - OPEB related	81,060	1,500	82,560	-
Deferred outflows - pension related	1,246,064	(68,808)	1,177,256	-
Accounts payable	2,351	3,724	6,075	(149,827)
Retention payable	-	-	-	-
Accrued payroll	386,339	6,307	392,646	57,457
Deposits payable	(1,015,809)	-	(1,015,809)	26,242
Compensated absences	(225,356)	5,697	(219,659)	-
Claims payable	-	-	-	637,000
Net OPEB liability	(111,172)	(2,058)	(113,230)	-
Net pension liability	586,575	353,621	940,196	-
Deferred inflows - OPEB related	(91,263)	(1,689)	(92,952)	-
Deferred inflows - pension related	-	-	-	-
Total adjustments	<hr/> 14,046,375	<hr/> 301,145	<hr/> 14,347,520	<hr/> 1,782,878
Net cash provided by operating activities	<hr/>\$ 65,081,453	<hr/>\$ 3,482,356	<hr/>\$ 68,563,809	<hr/>\$ 2,363,266

This page intentionally left blank.

Fiduciary Funds Financial Statements

Custodial funds - These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. This includes the San Mateo Consolidated Fire Department Custodial Fund, CFD 2008-1 Custodial Fund, and Other Custodial Fund.

Private Purpose Funds - These funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). This includes the RDA Obligation Retirement Fund (RORF), Successor Agency to RDA Merged Area Fund, and the Successor Agency to RDA Housing Fund.

This page intentionally left blank.

City of San Mateo
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ASSETS		
Cash and investments	\$ 3,756,968	\$ 5,278,336
Restricted cash and investments with fiscal agent	3,763,641	1
Accounts receivable	16,837	-
Total assets	7,537,446	5,278,337
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	-	11,359
Total deferred outflows of resources	-	11,359
LIABILITIES		
Accounts payable	154,356	-
Interest payable	-	626,771
Long-term debt - due within one year	-	4,475,000
Long-term debt - due in more than one year	-	28,026,174
Total liabilities	154,356	33,127,945
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	-	30,417
Total deferred inflows of resources	-	30,417
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	7,383,090	-
Dissolution of RDA	-	(27,868,666)
Total net position (deficit)	\$ 7,383,090	\$ (27,868,666)

City of San Mateo
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ADDITIONS:		
Fee collections for other governments	\$ 724,003	\$ -
Special assessments for other governments	5,040,692	-
Investment income	166,373	1,091
RDA property tax trust fund distribution	-	5,999,251
Total additions	5,931,068	6,000,342
DEDUCTIONS:		
Administration	22,324	20,000
Payments on conduit bonds - principal	1,140,000	-
Payments on conduit bonds - interest	3,671,338	-
Payments to other organizations and governments	685,118	-
Interest expense	-	1,053,190
Total deductions	5,518,780	1,073,190
Change in net position	412,288	4,927,152
NET POSITION (DEFICIT):		
Beginning of year	6,970,802	(32,795,818)
End of period	\$ 7,383,090	\$ (27,868,666)

NOTES TO THE BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

City of San Mateo
Index of Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	59
A. Financial Reporting Entity	59
B. Basis of Presentation, Accounting and Measurement Focus	60
C. Deferred Outflows and Inflows of Resources	63
D. Cash, Cash Equivalents and Investments	63
E. Restricted Cash and Investments	64
F. Receivables	65
G. Interfund Transactions	65
H. Inventories and Prepaid Items	65
I. Leases	65
J. Subscription-Based Information Technology Arrangements (SBITAs)	66
K. Capital Assets	67
L. Long-Term Debt	68
M. Compensated Absences	69
N. Claims and Judgements Payable	70
O. Pension Plans	70
P. Other Postemployment Benefits (OPEB)	70
Q. Fund Balances	71
R. Net Position	71
S. Property Taxes	72
T. Use of Accounting Estimates	72
U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2025	72
V. Upcoming Government Accounting Standards Implementations	73
Note 2 – Cash and Investments	73
A. Demand Deposits	74
B. Investments Authorized by the California Government Code and the City's Investment Policy	75
C. Risk Disclosure	75
D. Fair Value Measurement	79
E. Investment in State Investment Pool	81
F. Investment in California Asset Management Program (CAMP)	81
G. Investment in San Mateo County Investment Pool	81
Note 3 – Lease Receivable	81
Note 4 – Loans and Notes Receivable	82
Note 5 – Interfund Transfers	88
Note 6 – Capital Assets	89
A. Governmental Activities	89
B. Business-Type Activities	90

City of San Mateo
Index of Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

	<u>Page</u>
Note 7 – Long-Term Liabilities	91
A. Summary	91
B. Governmental Activities	92
C. Business-Type Activities	97
D. Fiduciary Funds Private Purpose Trust Funds - Successor Agency to the Redevelopment Agency of the City of San Mateo	102
Note 8 – Special Assessment Debt with No City Commitment	104
Note 9 – Compensated Absences	104
A. Governmental Activities	104
B. Business-Type Activities	105
Note 10 – Landfill Closure	105
Note 11 – Pension Plans.....	106
A. Summary	106
B. General Information about Pension	106
C. Social Security	112
Note 12 – Other Postemployment Benefits.....	113
A. Summary	113
B. General Information about OPEB	113
C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB	114
Note 13 – Risk Management	117
A. Coverage	117
B. Claims Activity	117
Note 14 – Joint Ventures	117
Note 15 – Other Required Disclosures.....	119
A. Deficit Fund Balances/Net Position	119
B. Expenditures Exceeding Appropriations.....	120
Note 16 – Fund Balance Classification.....	120
Note 17 – Net Investment in Capital Assets.....	121
Note 18 – Successor Agency Private Purpose Trust For Assets of Former Redevelopment.....	121

City of San Mateo
Index of Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

	<u>Page</u>
Note 19 – Adjustments and Restatements of Beginning Balances.....	122
Note 20 – Commitments and Contingencies.....	123
A. Litigation.....	123
B. Contingent Liabilities.....	123
C. Federal and State Grants	123
D. Contractual Commitments	123

This page intentionally left blank.

City of San Mateo
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of San Mateo, California (the “City”) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated as a charter city on September 4, 1894; the current charter was adopted in 1971 and revised in 2002. The City operates under the Council-Manager form of government and provides the following services: police; building inspection; parks and streets; sanitation; leisure services; planning and zoning; general administration services; and redevelopment.

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Units

Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

San Mateo Joint Powers Financing Authority (JPFA)

The San Mateo Joint Powers Financing Authority (“JPFA”) was created in 1993. The Financing Authority is a joint exercise of joint powers. The City Council serves as directors of the JPFA. The purpose of the JPFA is to act as a financing/lending type of entity only. No separate annual financial statements are prepared for the JPFA. Since the City Council previously served as the government board for this component unit, the City’s component unit was considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City’s operations and financial information was reported with the primary government. The activities of the JPFA are accounted in the various governmental funds of the City.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

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

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

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

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Transfers in/out

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

General Capital Projects Fund accounts for the expenditures for capital improvements for the City, including equipment, acquisition, and construction of parks, recreation areas, public safety facilities or other public works. The primary sources of funding are intergovernmental revenues, Measure A (half cent sales tax), developer impact fees, and transfers from other governmental funds.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund. A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds. These areas of service include fleet maintenance, facilities maintenance, and comprehensive liability.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary fund:

Sewer Fund accounts for the activities of the wastewater collection and treatment system, which provides service to residents and the businesses of the City and some neighboring cities.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

Workers' Compensation Insurance Fund accounts for all workers' compensation self-insurance activities.

Dental Self-Insurance Fund accounts for the City's self-insurance activities related to the dental plan it provides to its employees.

Benefits Fund accounts for charges for other funds and expenditures relating to employee benefits other than those accounted for in the Workers' Compensation and Dental Self-Insurance Funds.

Comprehensive Liability Insurance Fund accounts for general liability self-insurance transactions.

Vehicle and Equipment Replacement Fund accounts for charges to the City departments for funding and acquisition of replacement vehicles and equipment.

Fleet and Building Maintenance Fund accounts for the charges to user departments and the expenses related to the maintenance of City vehicles and buildings.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

Fiduciary fund types are accounted for according to the nature of the fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Community Facilities Districts.

The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City of San Mateo. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

Successor Agency of the Redevelopment Agency for the City of San Mateo

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund. In February 2015, the California Department of Finance (Finance) approved the City's revised Long-Range Property Management Plan (LRPMP), with the assets deemed for governmental use and future development. The Department of Finance approved the amendment to the Last and Final ROPS, and its confirmation that this entire transaction would be considered the first of two allowed amendments to the Last and Final ROPS in a letter dated December 13, 2017. Refer to Note 18 for additional information relating to the Successor Agency.

C. Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Deferred Inflows of Resources represent 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.

D. Cash, Cash Equivalents and Investments

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

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

Investments are reported in the accompanying financial statements at fair value, except for certain 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, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
 - Overall
 - Custodial credit risk
 - Concentration of credit risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

E. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, and to meet bond indenture debt reserve requirements.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Receivables

Customer or trade receivables are reported as “accounts receivable” and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

Noncurrent portions of long-term receivables (e.g., “notes receivable”) due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term notes receivable are offset by restricted fund balance in the special revenue funds.

G. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

H. Inventories and Prepaid Items

Inventory, consisting of expendable supplies, is valued at first in first out basis. The cost of governmental funds inventory is recorded as expenditure at the time the individual inventory is consumed. Prepaid items are recorded at cost. Using the consumption method, prepaid items are recorded as expenditures over the period that service is provided. Reported inventory and prepaid items are equally offset by a fund balance reservation, which indicates that they do not constitute “available spendable resources” even though they are a component of current assets.

I. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Leases (Continued)

Lessee (Continued)

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$100,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

K. Capital Assets

Capital assets, which include property, plant, equipment, the right to use leased equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note 1.I. above) or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of \$5,000 - \$25,000 depending on asset type.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Asset Type	Capitalization Threshold
General capital assets	\$10,000
Infrastructure capital assets	\$100,000
Intangible assets	\$1,000,000

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets (Continued)

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Asset Type	Years
Sewer treatment plant and transmission lines	up to 60
Buildings and improvements	20 - 40
Machinery and equipment	2 - 30
Infrastructure	25 - 60
Lease and subscription assets	Contract term

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the streets, water purification and distribution system, sewer collection and treatment system, parks and recreation, lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

For all other infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34. The City appraised its own infrastructure as of July 1, 2002. The 2002 appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways:

1. Historical records;
2. Standard unit costs appropriate for the construction/acquisition date;
3. Present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date.

The accumulated depreciation from the date of construction/acquisition to the current date was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

L. Long-Term Debt

Government-Wide Financial Statements and Proprietary Fund Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave: The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Claims and Judgments Payable

The short-term and long-term workers' compensation claims liability is reported in the Workers' Compensation Insurance Internal Service Fund. The short-term and long-term general claims liability is reported in the Comprehensive Liability Insurance Internal Service Fund. The short-term liability which will be liquidated with current financial resources is the amount of settlement reached, but unpaid, related to claims and judgments entered. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual property taxes, sales taxes, federal and state grants.

O. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

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. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line 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.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The Enterprise Funds are used to liquidate the OPEB liability.

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, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balances

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

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

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

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. A City Council resolution is required to have fund balance committed.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has not delegated the authority to assign fund balance to management.

Unassigned – This category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

R. Net Position

For the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources that are needed.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Property Taxes

San Mateo County (the “County”) assesses properties and it bills, collects, and distributes property taxes to all taxing entities within its jurisdiction including the City. Under State law, known as the Teeter Plan, the County remits the entire secure amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are assessed on January 1. Secured property tax is due in two installments, on November 1 and March 1. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are levied provided they become available as defined above.

T. Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2025

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2025. See Note 19.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Upcoming Government Accounting Standards Implementations

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. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

Note 2 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2025 as follows:

	Government -Wide Statement of Net Position			Fiduciary	
	Governmental Activities	Business-Type Activities	Total	Fund Financial Statements	Total
Cash and investments					
Held by City Treasury	\$ 339,415,287	\$ 263,825,699	\$ 603,240,986	\$ 9,035,304	\$ 612,276,290
Restricted cash and investments: Held by fiscal agents	3,008,208	30,534,830	33,543,038	3,763,642	37,306,680
Total cash and investments	\$ 342,423,495	\$ 294,360,529	\$ 636,784,024	\$ 12,798,946	\$ 649,582,970

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

Cash on hand and deposits:	
Cash on hand	\$ 14,479
Deposits with financial institution	3,444,580
Total cash on hand and deposits	3,459,059
 Investments:	
Local Area Investment Funds (LAIF)	74,064,905
CAMP	108,979,685
San Mateo County Pool	48,536,737
Investments	377,235,904
Total investments	608,817,231
 Cash and investments with fiscal agent	37,306,680
Total cash and investments	\$ 649,582,970

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$3,444,580 at June 30, 2025. Bank balances were \$3,645,328 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Securities issued by the U.S. Treasury	5 years	None	None
U.S. Agency Securities and Instrumentalities	5 years	70%	40%
Mortgage-Backed Securities	5 years	20%	20%
Banker's acceptance	180 days	10%	5%
Repurchase agreements	90 days	10%	10%
Local Agency Investment Fund	N/A	65%	65%
San Mateo County Pool	N/A	30%	30%
California Asset Management Program	N/A	20%	20%
Money Market/Mutual Funds	N/A	20%	10%
Prime Commercial Paper	270 days	10%	5%
Medium-term Corporate Notes	5 years	30%	5%
Obligations of State of California or Other California Local Agency	5 years	20%	5%
Non-negotiable Certificates of Deposit	3 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Asset-Backed Securities	5 years	10%	5%
Non-Agency Mortgage Securities	5 years	10%	5%

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

C. Risk Disclosure

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025, the City's deposits (bank balances) were collateralized under California Law.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

C. Risk Disclosure (Continued)

Disclosure Relating to Concentration of Credit Risk

The investment policy of the City contains requirements that no more than 5 percent of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy. GASB Statement No. 40 requires disclosure by amount and issuer, of investments in any one issuer that represent 5% or more of total investments. At June 30, 2025, the City had no investment (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate 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 term 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 a means of maintaining liquidity, the City's investment policy limits are as follows:

Maturity	% of Portfolio
Up to six months	25% (Minimum)
Six months to five years	75% (Maximum)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown on the next page, any callable securities are assumed to be held to maturity.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

C. Risk Disclosure (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Fair Value	Maturities (in years)					
		1 year or less	1-2 years	2-3 years	3-4 years	4 years or more	
Investments:							
U.S. Government Treasury and Agencies:							
Federal Farm Credit Bank Bonds (FFCB)	\$ 9,433,216	\$ 4,870,787	\$ 2,658,827	\$ 1,903,602	\$ -	\$ -	
Federal Home Loan Bank Bonds (FHLB)	17,278,748	12,461,880	4,816,868	-	-	-	
Federal Home Loan Mortg. Corp. (FHLMC)	2,983,059	2,983,059	-	-	-	-	
Federal Natl. Mortg. Assn. Notes (FNMA)	2,971,009	2,971,009	-	-	-	-	
US Treasuries	138,378,623	11,359,298	15,150,553	28,461,535	32,133,011	51,274,226	
Corporate Notes:							
Amazon.com Inc	2,402,352	1,129,636	-	1,272,716	-	-	
American Express Company	3,034,115	-	-	-	3,034,115	-	
Apple Inc	732,803	-	732,803	-	-	-	
Bank of America Corp.	3,019,038	-	-	-	3,019,038	-	
Bank of Montreal	723,655	-	723,655	-	-	-	
BNY Mellon Corp	838,419	-	838,419	-	-	-	
Berkshire Hathaway	2,788,852	-	-	-	2,788,852	-	
Caterpillar Financial Service	4,530,072	-	-	2,995,500	1,534,572	-	
Charles Schwab Corp.	729,490	729,490	-	-	-	-	
Chubb INA Holdings Inc.	1,465,560	-	-	-	-	1,465,560	
Cisco Systems Inc.	1,219,482	-	-	-	1,219,482	-	
Duke Energy Carolinas LLC	1,995,133	-	-	-	1,995,133	-	
Duke Energy Florida LLC	1,857,162	-	-	-	-	1,857,162	
Eli Lilly and Company	1,931,832	-	-	-	-	1,931,832	
Guardian Life	5,596,755	-	-	813,512	757,613	4,025,630	
Home Depot Inc	3,362,027	-	-	-	3,362,027	-	
Honda Motor Co., Ltd	2,660,933	-	-	-	-	2,660,933	
Honeywell Intl	3,058,040	-	-	3,058,040	-	-	
John Deere Capital Corp	2,026,734	-	-	1,015,814	1,010,920	-	
JP Morgan Chase & Co	2,019,068	-	-	2,019,068	-	-	
Mass Mutual	6,027,203	-	-	-	1,541,883	4,485,320	
Meta Platforms, Inc.	1,533,858	-	-	-	-	1,533,858	
Metlife	5,239,712	-	-	1,172,245	1,527,270	2,540,197	
Morgan Stanley	3,062,846	-	-	-	-	3,062,846	
National Rural Utilities	1,534,258	-	-	-	-	1,534,258	
New York Life Global	5,830,221	-	-	4,669,251	1,160,970	-	
Northwestern Mutual	2,021,776	-	-	-	2,021,776	-	
Paccar Financial Corp	4,169,253	-	-	4,169,253	-	-	
PepsiCo, Inc.	2,067,441	-	-	-	-	2,067,441	
Prologis	2,682,926	-	-	2,682,926	-	-	
Realty Income Corp	2,215,718	-	-	2,215,718	-	-	
Royal Bank of Canada	3,131,581	-	-	1,904,094	1,227,487	-	
State Street Corporation	3,063,902	-	-	-	-	3,063,902	
Target Corp	411,653	-	411,653	-	-	-	
Toronto-Dominion Bank	2,205,555	-	-	843,031	1,362,524	-	
Toyota Motor Credit Corp	4,374,218	-	-	2,358,185	-	2,016,033	
United Health Group Inc	2,635,178	889,432	772,892	972,854	-	-	
Wal-Mart Stores	2,181,029	-	178,793	2,002,236	-	-	
Supranational	6,220,238	2,962,599	-	-	-	3,257,639	
Asset-Backed Securities	40,341,144	24,114	1,542,287	11,402,332	11,831,843	15,540,568	
Collateralized Mortgage Obligations	44,484,752	1,540,317	1,693,796	9,339,009	23,400,466	8,511,164	
Money Market Funds	9,312,120	9,312,120	-	-	-	-	
Municipal Bonds	5,453,146	-	-	-	-	5,453,146	
Local Agency Investment Fund	74,064,905	74,064,905	-	-	-	-	
California Asset Management Program	108,979,685	108,979,685	-	-	-	-	
San Mateo County Pool	48,536,737	48,536,737	-	-	-	-	
Total investments	\$ 608,817,231	\$ 282,815,068	\$ 29,520,546	\$ 85,270,921	\$ 94,928,982	\$ 116,281,715	

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

C. Risk Disclosure (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, some issuers do not seek a credit rating. For instance, the California Local Agency Investment Fund (LAIF) has not sought or received a credit rating. In these cases, the purchaser is solely responsible for performing their own due diligence before purchasing an investment or participating in an external investment pool. Certificates of deposit of \$250,000 or less are fully insured by the Federal Deposit Insurance Corporation (FDIC), and therefore, do not seek a credit rating.

The City mitigates credit risk through diversification in its portfolio as outlined by the City's Investment Policy. The Investment Policy also guides the rating quality of purchased securities provided by Nationally Recognized Statistical Rating Organizations (NRSRO).

As of June 30, 2025, the City's deposits and investments were rated as follows:

	Credit Quality Ratings	
	Moody's	S&P
Deposits	P-1 to AA3	A-1+ to AA-
Investments:		
Securities of U.S. Government Agencies:		
Federal Farm Credit Bank Bonds (FFCB)	Aa1	AA+
Federal Home Loan Bank Bonds (FHLB)	AA+	AA+
Federal Home Loan Mortg. Corp. Notes (FHLMC)	AA+	AA+
Federal National Mortg. Assn. Notes (FNMA)	AA+	AA+
US Treasuries	AA+	AA+
Corporate Notes:		
Amazon.com Inc	A1	AA
American Express Company	A2	A-
Apple Inc	Aaa	AA+
Bank of America Corp	A1	A-
Bank of Montreal	A2	A-
Berkshire Hathaway	Aa2	AA
BNY Mellon Corp	Aa2	AA-
Caterpillar Financial Service	A2	A
Charles Schwab Corp	A2	A-
Chubb INA Holdings Inc	A2	A
Cisco Systems Inc	A1	AA-
Duke Energy Carolinas LLC	Aa3	A
Duke Energy Florida LLC	A1	A
Eli Lilly and Company	Aa3	A+
Guardian Life	Aa1	AA+
Home Depot Inc	A2	A
Honda Motor Co., Ltd	A3	A-
Honeywell Intl	A2	A
John Deere Capital Corp	A1	A
JP Morgan Chase & Co	A1	A
Mass Mutual	Aa3	AA+
Meta Platforms, Inc.	Aa3	AA-
Metlife	Aa3	AA-

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

C. Risk Disclosure (Continued)

Disclosures Relating to Credit Risk (Continued)

	Credit Quality Ratings	
	Moody's	S&P
Morgan Stanley	A1	A-
National Rural Utilities	A2	N/A
New York Life Global	Aa1	AA+
Northwestern Mutual	Aa1	AA+
Paccar Financial Corp	A1	A+
PepsiCo, Inc.	A1	A+
Prologis	A2	A
Realty Income Corp	A3	A-
Royal Bank of Canada	A1	A
State Street Corporation	Aa2	AA-
Target Corp	A2	A
Toronto-Dominion Bank	A2	A-
Toyota Motor Credit Corp	A1	A+
United Health Group Inc	A2	A+
Wal-Mart Stores	Aa2	AA
Asset-Backed Securities	Aaa	AAA
Collateralized Mortgage Obligations	Aa1 to Aaa	AA+ to AAA
Local Agency Investment Funds	Not Rated	Not Rated
San Mateo County Pool	Not Rated	Not Rated
California Asset Management Program	Not Rated	Not Rated
Supranational	Aaa	AAA
Money Market Funds	Aaa	AAAm
Municipal Bonds	Aa1 to Aa2	AA+ to AA-

D. Fair Value Measurement

At June 30, 2025, investments, excluding restricted cash and investments held by fiscal agent, are reported at fair value based on quoted market prices. The table on the following page presents the fair value measurements of investments recognized in the accompanying Financial Statements measured at fair value on a recurring basis and the level within GASB Statement No. 72 fair value hierarchy in which the fair value measurements fall at June 30, 2025.

Treasury Securities, Federal Farm Credit Bank Bonds, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation Notes and Mortgage-Backed Securities, Federal National Mortgage Association Notes, and Corporate Notes categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means. Investments included in restricted cash and investments included money market accounts, guaranteed investment contracts, are not subject to fair value hierarchy.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

Investment Type	Fair Value	Percentage of Investments	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Investments measured by fair value level:					
U.S. Government Treasury and Agencies:					
Federal Farm Credit Bank Bonds (FFCB)	\$ 9,433,216	1.55%	\$ -	\$ 9,433,216	\$ -
Federal Home Loan Bank Bonds (FHLB)	17,278,748	2.84%	-	17,278,748	-
Federal Home Loan Mortg. Corp. (FHLMC)	2,983,059	0.49%	-	2,983,059	-
Federal Natl. Mortg. Assn. Notes (FNMA)	2,971,009	0.49%	-	2,971,009	-
US Treasuries	138,378,623	22.73%	-	138,378,623	-
Corporate Notes:					
Amazon.com Inc	2,402,352	0.39%	-	2,402,352	-
American Express Company	3,034,115	0.50%	-	3,034,115	-
Apple Inc	732,803	0.12%	-	732,803	-
Bank of America Corp.	3,019,038	0.50%	-	3,019,038	-
Bank of Montreal	723,655	0.12%	-	723,655	-
BNY Mellon Corp	838,419	0.14%	-	838,419	-
Berkshire Hathaway	2,788,852	0.46%	-	2,788,852	-
Caterpillar Financial Service	4,530,072	0.74%	-	4,530,072	-
Charles Schwab Corp.	729,490	0.12%	-	729,490	-
Chubb INA Holdings Inc.	1,465,560	0.24%	-	1,465,560	-
Cisco Systems Inc.	1,219,482	0.20%	-	1,219,482	-
Duke Energy Carolinas LLC	1,995,133	0.33%	-	1,995,133	-
Duke Energy Florida LLC	1,857,162	0.31%	-	1,857,162	-
Eli Lilly and Company	1,931,832	0.32%	-	1,931,832	-
Guardian Life	5,596,755	0.92%	-	5,596,755	-
Home Depot Inc	3,362,027	0.55%	-	3,362,027	-
Honda Motor Co., Ltd	2,660,933	0.44%	-	2,660,933	-
Honeywell Intl	3,058,040	0.50%	-	3,058,040	-
John Deere Capital Corp	2,026,734	0.33%	-	2,026,734	-
JP Morgan Chase & Co	2,019,068	0.33%	-	2,019,068	-
Mass Mutual	6,027,203	0.99%	-	6,027,203	-
Meta Platforms, Inc.	1,533,858	0.25%	-	1,533,858	-
Metlife	5,239,712	0.86%	-	5,239,712	-
Morgan Stanley	3,062,846	0.50%	-	3,062,846	-
National Rural Utilities	1,534,258	0.25%	-	1,534,258	-
New York Life Global	5,830,221	0.96%	-	5,830,221	-
Northwestern Mutual	2,021,776	0.33%	-	2,021,776	-
Paccar Financial Corp	4,169,253	0.68%	-	4,169,253	-
PepsiCo, Inc.	2,067,441	0.34%	-	2,067,441	-
Prologis	2,682,926	0.44%	-	2,682,926	-
Realty Income Corp	2,215,718	0.36%	-	2,215,718	-
Royal Bank of Canada	3,131,581	0.51%	-	3,131,581	-
State Street Corporation	3,063,902	0.50%	-	3,063,902	-
Target Corp	411,653	0.07%	-	411,653	-
Toronto-Dominion Bank	2,205,555	0.36%	-	2,205,555	-
Toyota Motor Credit Corp	4,374,218	0.72%	-	4,374,218	-
United Health Group Inc	2,635,178	0.43%	-	2,635,178	-
Wal-Mart Stores	2,181,029	0.36%	-	2,181,029	-
Supranational	6,220,238	1.02%	-	6,220,238	-
Asset-Backed Securities	40,341,144	6.63%	-	40,341,144	-
Collateralized Mortgage Obligations	44,484,752	7.31%	-	44,484,752	-
Total investments subject to fair value	362,470,638		\$ -	\$ 362,470,638	\$ -
Investments not subject to the fair value hierarchy:					
Money Market Funds	9,312,120	1.53%			
Municipal Bonds:	5,453,146	0.90%			
Local Agency Investment Fund	74,064,905	12.17%			
California Asset Management Program	108,979,685	17.90%			
San Mateo County Pool	48,536,737	7.97%			
Total investments	\$ 608,817,231	100.00%			

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

E. Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$74,064,905 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

F. Investment in California Asset Management Program (CAMP)

As of June 30, 2025, the City had \$108,979,685 invested in the California Asset Management Program (CAMP), in which the City is a voluntary participant. CAMP is an investment pool offered by the California Asset Management Trust (the “Trust”). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2025 was \$22.3 billion. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the City’s position in the pool. At June 30, 2025 the amortized cost approximated is the City’s cost.

G. Investment in San Mateo County Investment Pool

As of June 30, 2025, the City had \$48,536,737 invested in the San Mateo County Investment Fund (County Pool) that is regulated by Code Section 16429 under the oversight of the Treasurer of the County. The City reports its investment in the County Pool at the fair value amount provided by the County. Included in the County Pool’s investment portfolio are US Treasury Notes, Obligations issued by agencies of the United States Government, LAIF, Corporate Notes, Commercial Paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The fair value factor of 1.01103 was used to calculate the fair value of the investments in the County Pool. At June 30, 2025, the total amount invested by all public agencies in the County Pool was approximately \$9.0 billion.

Note 3 – Lease Receivable

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 5 to 27 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2025, the City recognized \$533,222 in lease revenue and \$285,630 in interest revenue. At June 30, 2025, the City reported a deferred inflow of resources related to leases of \$8,413,493.

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Classification					
	Balance			Balance		
	July 1, 2024	Additions	Deletions	June 30, 2025	Due within One Year	Due in More Than One Year
Leases receivable	\$ 10,032,574	\$ -	\$ (650,997)	\$ 9,381,577	\$ 320,612	\$ 9,060,965

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Lease Receivable (Continued)

As of June 30, 2025, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 320,612	\$ 278,535	\$ 599,147
2027	321,430	268,656	590,086
2028	339,676	258,825	598,501
2029	382,484	247,736	630,220
2030	399,085	235,851	634,936
2031 - 2035	2,210,721	981,514	3,192,235
2036 - 2040	1,751,084	688,998	2,440,082
2041 - 2045	2,249,998	390,474	2,640,472
2046 - 2048	1,406,487	58,766	1,465,253
Total	\$ 9,381,577	\$ 3,409,355	\$ 12,790,932

Note 4 – Loans and Notes Receivable

At June 30, 2025, loans and notes receivable consisted of the following:

	Loans and Notes Receivable	Allowance for Doubtful Accounts	Notes Receivable, Net	Unavailable Revenue
Governmental Activities:				
First-time Homebuyer Loans	\$ 10,039,799	\$ (10,016,877)	\$ 22,922	\$ -
Home Rehabilitation Loans	525,317	-	525,317	116,576
106 N. El Dorado	450,000	(450,000)	-	-
Darcy Building	1,333,186	(1,164,564)	168,622	-
Edgewater Isle Senior Apartments	5,204,107	(5,204,107)	-	-
Belmont Building	800,000	(800,000)	-	-
St. Matthew Hotel	2,858,617	(2,858,617)	-	-
Rotary Hacienda & Rotary Floritas	4,995,953	(4,390,953)	605,000	-
First Step for Families (Turning Point)	771,479	(771,479)	-	-
12 N. Idaho Street	100,000	(100,000)	-	-
200 S. Delaware Street	2,191,035	(2,191,035)	-	-
232 S. Humboldt Street	572,500	(572,500)	-	-
11 S. Delaware Street	1,304,813	(1,304,813)	-	-
El Camino Family Housing	3,902,382	(3,902,382)	-	-
MP San Mateo Transit Associates	8,681,651	(8,681,651)	-	-
MP Delaware Pacific Associates LP	1,271,386	(1,271,386)	-	-
MP Foster Square	386,607	(386,607)	-	-
Gateway Commons Assessment Loan	265,469	-	265,469	29,660
Cal Home Loans	416,882	-	416,882	37,561
HIP Housing - 1100 Cypress Avenue	1,269,900	(1,269,900)	-	-
Bay Meadows Affordable Association	1,922,780	-	1,922,780	206,612
Child Care Facility Project Loans	727,789	(727,789)	-	-
MP Downtown San Mateo Associates LP	6,022,500	(6,022,500)	-	-
New Beginnings Supportive Housing Project	377,212	(377,212)	-	-
Total Governmental Activities	\$ 56,391,364	\$ (52,464,372)	\$ 3,926,992	\$ 390,409
Business-Type Activities:				
Town of Hillborough	\$ 40,870,846	\$ -	\$ 40,870,846	
Crystal Springs	20,867,613	-	20,867,613	
Total Business-Type Activities	\$ 61,738,459	\$ -	\$ 61,738,459	

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

First-Time Homebuyer Loans

The City has had provided various loan programs for first time homebuyers since 1989. In general, they provide secondary financing for low and moderate income buyers in the City that have deferred payments in order to allow the buyer to maximize their purchasing capacity. The City, acting as the successor agency of the former redevelopment agency, engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. The amounts for potential loan forgiveness represent the best estimate of the amount of loans receivable that may not be collectible from borrowers. It does not necessarily reflect subsequent actual payments, which could differ from expectations.

The various loan terms are described below:

Gateway Commons Original Buyers – Second loans accrue interest that compounds annually. Interest accrues for 20 years. Starting in year 21, 10% of principal and accrued interest is forgiven until the loan is fully forgiven in year 30. Payment of principal and interest is paid upon sale of property. Units are sold at market value, and at that time, the City also receives as payment a share of the appreciation based on the percentage of the City loan to original purchase price.

First Time Buyer Resale Program – Subsequent buyers at Gateway Commons and other first time buyer complexes have different loan terms: Prior to 2007, second loans up to \$60,000 accrue interest that is compounded annually. The resale price is restricted by applying the percentage increase in median income from the time of the purchase date to the sale date, to the initial sales price. The principal is repaid, but payment of the accrued interest is waived. The City has the first right to purchase to roll unit to a new eligible buyer at the restricted sales price. If the City does not exercise the option to purchase, the unit can be sold at fair market value to a non-eligible buyer. In this case, the principal, interest, and appreciation share payment is paid to the City. After 2007, the second loans were restructured to eliminate the interest rate and appreciation share in the event the unit is sold to non-eligible buyer. Instead, “contingent interest” is paid to the City, which is determined by the difference between the restricted price and the actual sales price (market value).

Neighborhood Purchase Program – A second loan of up to 20% of the purchase price, or maximum of \$60,000, accrues simple interest of 3% per year. This is an amortized loan, where monthly payments are deferred for five years and then repaid over 25 years. This program is no longer active. There are no resale price restrictions.

Countywide Home Investment Partnership (CHIP) Program – This program provides a second loan of up to 20% of the purchase price, or maximum of \$60,000. No interest and no payments are due for 10 years. Then payments are amortized at 4% for 25 years. Upon sale of the property or refinance, an appreciation share payment is due to the City.

Meadow Court Program – This program provides first-time homebuyers down payment assistance for the purchase of units at Meadow Court. The loans are secured by a second deed of trust with a term of 40 years and interest compounding annually. At year 31, provided that the property has not been sold or transferred, 10% of principal and interest will be forgiven each year until year 40, at which time the entire note is forgiven.

Home Rehabilitation Loans

The City has administered various housing rehabilitation loan programs using Community Development Block Grant funds, former Redevelopment Agency Housing Set-Aside funds, and City Housing funds. Under these Programs, individuals with incomes below a certain level are eligible to receive low interest, variable term loans, secured by deeds of trust for rehabilitation work on their homes. The maximum loan limit is \$85,000 for standard properties and \$100,000 for historic properties. The loan repayments may be amortized over the life of the loans, deferred, or a combination of both.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

106 N. El Dorado

The City loaned \$450,000 to Housing Association for the Needy and Dispossessed, Inc. (HAND), a nonprofit organization, to acquire and rehabilitate six apartment units at 106 N. Eldorado for low-income housing. The loan bears no interest and is due in 40 years. If the property has not been sold or transferred, beginning in 2027, ten percent of the principal will be forgiven annually until 2036, at which time the entire loan principal will be forgiven.

Darcy Building

On June 30, 2000, the City and the former Redevelopment Agency made four loans, the proceeds of which were used to conduct substantial rehabilitation and residential conversion of the Darcy Building for low income households. The loans carry interest at rates that vary from 0% to 5% with a term of 30 years. If the property remains in the developer's hands, two of the loans allow partial forgiveness beginning in year 30, with full forgiveness in year 40.

Edgewater Isle Senior Apartments

On June 30, 2000, the City and the former Redevelopment Agency made a loan to the Human Investment Project ("HIP") for the purchase and minor rehabilitation of 92 low and moderate income senior rental units at Edgewater Isle. Payments of principal and 3% interest are deferred until 2048 or the sale or transfer of the property, whichever comes first.

Belmont Building

On June 30, 2000, the City and the former Redevelopment Agency made two loans, the proceeds of which were used to convert the Belmont building into six one-bedroom units for very low income families. The loans bear no interest and are for a term of 40 years. If the property remains in the developer's hands, beginning in year 2023, ten percent of the principal will be forgiven annually until year 2032, at which time the entire loan principal will have been forgiven.

St. Matthew Hotel

On June 30, 2000, the City and the former Redevelopment Agency made a loan to a developer, who used these funds to rehabilitate this hotel into a single room occupancy development for very low-income households. Interest is at 0% to 3%; principal and interest are due in 2036. Annual payments on the 3% loan are based on available cash flow, if any.

Rotary Hacienda

In 1988, the former Redevelopment Agency entered into a Development and Disposition Agreement ("DDA") with Rotary Hacienda Inc. for the construction and operation of an 82-unit senior rental housing project. The Agreement includes a promissory note in the amount of \$968,383, which bears simple interest at a rate of 8.75% compounded annually, and is due on December 30, 2028. In 2004, the loan was recast for \$968,000 with 0% interest, a 40-year term and no prepayment penalty.

Rotary Floritas

The former Redevelopment Agency provided \$3,000,000 for the construction of 50 senior rental units at Rotary Floritas on March 24, 2006. The interest rate is 3% for 55 years. Annual payments of principal and interest are based on the "available cash flow" from the borrower's preceding fiscal year.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

First Step for Families (Turning Point)

On June 26, 1988, the City provided zero interest deferred loans of \$69,262 in City CDBG funds and \$305,000 in former Redevelopment Agency funds to Mid-Peninsula Coalition Belle Haven, Inc. (MPCBH), for the acquisition and development of an emergency housing shelter called Turning Point. In 2002, MPCBH redeveloped the site into a new facility consisting of both emergency beds and transitional housing units to assist 39 families. The original loans plus interest were recast effective on April 1, 2002, in the amounts of \$95,320 and \$419,566 respectively. The loans bear 3% interest; principal and accrued interest are due in 30 years. At the same time, the City provided an additional \$500,000 (\$143,500 CDBG and \$356,500 HOME) for the new project. These loans bear 3% interest, and annual payments are based on “available cash flow”. As long as the facility is operated as emergency and transitional housing, 1/30 of the principal and accrued interest annually until it fully forgiven in 30 years.

12 N. Idaho Street

In 1994, HAND, Inc., a non-profit organization, received loans of \$100,000 from the former Redevelopment Agency and \$10,436 from the City to assist in the purchase of a six-unit apartment building located at 12 N. Idaho Street to be used as an affordable housing complex. The Agency loan carries an interest rate of 10% and is for a period of 40 years. The City loan carries no interest and is for a period of 15 years. Principal payments on both loans are deferred until the earlier of sale or transfer of the property or the maturity date.

200 S. Delaware Street

On October 6, 1999, the City and the former Redevelopment Agency loaned \$1,266,000 to HAND to acquire and rehabilitate sixteen units at 200 S. Delaware Street for low-income housing. The loan bears an interest rate of 3%. Principal and interest are due in 2049. HAND has an option of renewing the loan agreement for another fifty years.

232 S. Humboldt Street

On February 9, 2001, the City and the former Redevelopment Agency loaned \$500,000 to Mateo Lodge, Inc., to rehabilitate nine units at 232 S. Humboldt Street for low-income housing. The loan bears an interest rate of 3%. Principal and interest are due in 2021. Mateo Lodge, Inc. has an option of renewing the loan agreement for another twenty years.

11 S. Delaware Street

On June 17, 2002, the City loaned \$660,000 to HAND to acquire and rehabilitate eleven units at 11 S. Delaware Street for affordable housing. The loan bears an interest rate of 3%. Principal and interest are due in 2032. However, HAND has an option of renewing the loan agreement for another thirty years.

El Camino Family Housing

In December 2002, El Camino Family Housing, L.P., received a loan of \$3,386,000 from the former Redevelopment Agency to develop the Santa Inez Apartments at an interest rate of 3% and for a period of 40 years. Annual payments of principal and interest in the amount of \$140,688 are based on the “available cash flow” from the borrower’s preceding fiscal year. On January 19, 2018, the project was refinanced in order to allow one of the general partners to purchase the property as Santa Inez Apartments, LP. Upon closing, a portion of the accrued interest was paid to the City. The promissory note was amended to revise the principal amount to \$4,000,000 (original principal plus remaining accrued interest). The other original terms remained the same for another 25 years.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

MP San Mateo Transit Associates

In November 2006, the City and the former Redevelopment Agency entered into a loan agreement with the Mid-Peninsula Housing Coalition. The agreement includes three promissory notes in the amounts of \$1,230,000 (City funds), \$1,200,000 (Agency funds), and \$2,870,000 (Agency funds), which bear 3% interest. The payment of principal and interest is due on the maturity date or the sale or transfer of the property except for a sale or transfer to an affiliate nonprofit public benefit corporation or to a limited partnership in which an affiliate is the general partner. The maturity date shall occur fifty-five (55) years from the date of the receipt of the final certificate of occupancy. Beginning with borrower's first fiscal year following the first year after receipt of the certificate of occupancy, borrower shall make annual payments of principal and interest to the City only from "Available Cash Flow" which is defined from borrower's preceding fiscal year. In October 2009, the City received Infill Infrastructure Grant funds from the State of California in the amount of \$3,854,240, which was passed on to the Mid-Peninsula Housing Coalition in the form of a deferred zero interest loan which is due at maturity, which is 55 years from receipt of the final certificate of occupancy.

MP Delaware Pacific Associates L.P.

In April 2012, the City and the Successor Agency entered into a loan agreement with the Mid-Peninsula Delaware Pacific Associates, LP. The agreement includes two promissory notes in the amounts of \$880,000 (HOME Grant funds) and \$320,000 (Successor Agency Funds), which bear 3% interest. Beginning with borrower's first fiscal year following the first year after receipt of the certificate of occupancy, borrower shall make annual payments of principal and interest to the City only from "Available Cash Flow", which is defined from borrower's preceding fiscal year. The payment of remaining principal and interest is due on the maturity date or the sale or transfer of the property except for a sale or transfer to an affiliate nonprofit public benefit corporation or to a limited partnership in which an affiliate is the general partner. The maturity date shall occur fifty-five (55) years from the date of the receipt of the final certificate of occupancy.

MP Foster Square

In July 2014, the City entered into a loan agreement with Mid-Peninsula Foster Square Associates, LP. The agreement includes one promissory note in the amount of \$420,000 (HOME Grant funds), which bears 3% interest. Beginning with borrower's first fiscal year following the first year after receipt of the certificate of occupancy, borrower shall make annual payments of principal and interest to the City only from "Residual Receipts", which is defined from the project's preceding fiscal year. The payment of remaining principal and interest is due on the maturity date or the sale or transfer of the property. The maturity date shall occur fifty-five (55) years from the date of the receipt of the final certificate of occupancy.

Gateway Commons Assessment Loan

In February 2011, the City and the former Redevelopment Agency entered into a loan agreement with the Gateway Commons Owners Association to assist the owner with paying for a special assessment for needed repairs at the complex. This agreement provides eligible owners of the affordable units loans in the range of \$10,000 to \$30,000 as one-time lump sum special assessment to Gateway Commons. The original term of the loan is 15 years with an interest rate varying between 0% and 3%. The loan repayment are amortized, deferred, or a combination of both.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

Cal Home Loans

In June 2009, the City entered into a program agreement with the California Department of Housing and Community Development to receive \$750,000 in grant funds from the CalHOME program for its Owner Occupancy Rehabilitation Program. These funds are used for home repair loans up to \$60,000 for low and moderate income households at 3% interest, with payments deferred for 30 years. Loan repayments will go into a revolving loan fund to be used for future housing loans for owner occupied units.

HIP Housing Development - 1110 Cypress Avenue

In May 2016, the City entered into two loan agreements with HIP Housing Development Corporation in the amounts of \$590,000 and \$510,000 to be used for the acquisition of 1110 Cypress Avenue in the City of San Mateo, a 16-unit apartment complex, for the purpose of providing affordable housing to low and moderate income households. Commencing on the first day of the month following the first anniversary of the notes, the borrower shall make annual payments of principal and interest to the City only from “Residual Receipts”, the amount by which gross revenue exceeds annual operating expenses from the project’s preceding fiscal year. The payment of remaining principal and interest is due on the maturity date or the sale or transfer of the property. The loans bear simple interest of 3% per annum, and mature fifty-five (55) years from the date of the notes.

Bay Meadows Affordable Housing

In December 2018, the City lent \$2,000,000 to Bay Meadows Affordable Associates, LP for the construction of 68 family rental units. The interest rate is 3%. Annual payments are due beginning with the first fiscal year after construction completion based on the City’s share of “Residual Receipts” which is defined from the project’s preceding fiscal year. The payment of remaining principal and interest is due in full 55 years after construction completion.

Child Care Facility Project Loans

On October 15, 2018, the City Council approved Resolution 2018-107, establishing the Interim Child Care Fund Guidelines and authorized staff to release a Notice of Funding Available (NOFA). The NOFA was intended to invite a wide breadth of proposals that result in increasing the number of childcare spaces in the City of San Mateo with the earliest possible completion. The NOFA was released on January 7, 2019 with a deadline date of February 21, 2019. The City held an informational meeting for potential applicants on January 21, 2019 to review the NOFA document and requirements and respond to questions from attendees. As this was the first time in providing this NOFA, the loan documents were developed after the submittal of applications, as it was entirely unknown as to what types of projects would apply for funds and the potential structure of the funding. Each project offered differing levels of available leveraged funding, from zero to over 50% of the total development costs.

MP Downtown San Mateo Associates, L.P.

In December 2021, the City entered into three loan agreements with MP Downtown San Mateo Associates, L.P., to be used for the development of Kiku Crossing, a new 225 unit affordable housing project. The agreements include three promissory notes in the amount of \$650,000 (HOME Grant funds), \$2,000,000 (Commercial Linkage Fee funds), and \$2,850,000 (Low Mod Income Housing Asset Funds), which bear 3% interest. Beginning with borrower’s first fiscal year following the first year after receipt of the certificate of occupancy, borrower shall make annual payments of principal and interest to the City only from “Residual Receipts”, which is defined from the project’s preceding fiscal year. The payment of remaining principal and interest is due on the maturity date or the sale or transfer of the property. The maturity date shall occur fifty-seven (57) years from the date of recordation of the leasehold deed of trust.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Loans and Notes Receivable (Continued)

New Beginnings Supportive Housing Project

In December 2024, the City used a portion of its annual Permanent Local Housing Allocation (“PLHA”), received in fiscal year 2023-24, an entitlement grant program administered by the State Department of Housing and Community Development (“HCD”), to support predevelopment of the New Beginnings supportive housing project at 831 Monte Diablo Avenue. Funds were provided in the form of a forgivable, zero-interest predevelopment loan to St. James African Methodist Episcopal Zion Church in the amount of \$377,212. St. James will develop five affordable units of supportive housing for former foster youth between the ages of 18-24 (transitional age). This loan will allow the project to move forward with design and other predevelopment activities and will be forgiven upon completion of construction.

Town of Hillsborough

In June 2022, the City entered into a capital cost repayment agreement with the Town of Hillsborough (the “Town”) for the payment of the Town’s percentage of project costs for clean water projects. The City began construction on a comprehensive suite of capital improvements referred to as the “Clean Water Program,” including capital improvements to the sewage treatment plant. The costs of the sewage treatment plant are allocated based on predetermined factors. The capital cost repayment agreement carries an interest rate of 1.91% with a term of 30 years. Payments will be in addition to the periodic charges for wastewater treatment services. As of June 30, 2025, the balance of the capital cost repayment agreement was \$40,870,846.

Crystal Springs

In October 2024, the City entered into a capital cost repayment agreement with the Crystal Springs County Sanitation District (the “District”) and the County of San Mateo (the “County”) for the payment of the District and County’s percentage of project costs for clean water projects. The City began construction on a comprehensive suite of capital improvements referred to as the “Clean Water Program,” including capital improvements to the sewage treatment plant. The costs of the sewage treatment plant are allocated based on predetermined factors. The capital cost repayment agreement carries an interest rate of 1.91% with a term of 30 years. Payments will be in addition to the periodic charges for wastewater treatment services. As of June 30, 2025, the balance of the capital cost repayment agreement was \$20,867,613.

Note 5 – Interfund Transactions

Due From/To Other Funds – At June 30, 2025, the City had the following due from/to other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Community Development Block Grant Fund	\$ 48,871	Overdrawn Cash
General Fund	Traffic Impact Fee Special Revenue Fund	1,753,501	Overdrawn Cash
	Total	\$ 1,802,372	

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Interfund Transactions (Continued)

Transfers In/Out - During the year ended June 30, 2025, the City had the following transfers in/out:

Transfers In	Transfers Out	Amount	Purpose
General Projects Capital Projects Fund	General Fund	\$ 9,838,867	Capital projects
General Projects Capital Projects Fund	Solid Waste Special Revenue Fund	766,619	Capital projects
General Projects Capital Projects Fund	Construction Services Special Revenue Fund	518,394	Capital projects
General Projects Capital Projects Fund	Gas Tax Special Revenue Fund	218,314	Capital projects
General Projects Capital Projects Fund	Parks and Recreation Special Revenue Fund	1,784,621	Capital projects
General Projects Capital Projects Fund	Road Maintenance and Rehabilitation Special Revenue Fund	897,879	Capital projects
General Projects Capital Projects Fund	Landfill Bond Debt Service Fund	51,140	Capital projects
General Projects Capital Projects Fund	Vehicle and Equipment Replacement Internal Service Fund	1,619,429	Capital projects
	Subtotal	15,695,263	
General Fund	Construction Services Special Revenue Fund	788,000	Other purposes
General Fund	Gas Tax Special Revenue Fund	1,747,500	Other purposes
	Subtotal	2,535,500	
Vehicle and Equipment Replacement Internal Service Fund	General Fund	410,000	Cost allocation
Comprehensive Liability Insurance Internal Service Fund	Workers' Compensation Insurance Internal Service Fund	2,000,000	Cost allocation
2% Hotel Tax Debt Service Fund	General Fund	350,000	Debt service
General Obligation Bond Debt Service Fund	General Fund	2,690,000	Debt service
	Total	\$ 23,680,763	

Note 6 – Capital Assets

A. Governmental Activities

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

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Land	\$ 52,064,002	\$ -	\$ -	\$ -	\$ 52,064,002
Construction in progress	30,412,141	33,442,579	(4,824,533)	(14,036,422)	44,993,765
Total capital assets, not being depreciated	82,476,143	33,442,579	(4,824,533)	(14,036,422)	97,057,767
Capital assets, being depreciated/amortized					
Building and improvements	194,619,236	-	-	63,707	194,682,943
Machinery and equipment	36,821,946	1,424,846	(567,875)	1,564,908	39,243,825
Infrastructure	612,631,402	-	-	12,407,807	625,039,209
Leased assets - buildings and improvements	2,174,617	5,592,053	-	-	7,766,670
Leased assets - machinery and equipment	-	5,882,716	-	-	5,882,716
Subscription assets	6,866,009	770,051	(1,398,847)	-	6,237,213
Total capital assets, being depreciated/amortized	853,113,210	13,669,666	(1,966,722)	14,036,422	878,852,576
Accumulated depreciation/amortization:					
Building and improvements	(86,027,696)	(5,346,642)	-	-	(91,374,338)
Machinery and equipment	(27,598,489)	(1,779,555)	548,684	-	(28,829,360)
Infrastructure	(335,891,526)	(14,922,009)	-	-	(350,813,535)
Leased asset - buildings and improvements	(1,768,002)	(492,405)	-	-	(2,260,407)
Leased assets - machinery and equipment	-	(311,083)	-	-	(311,083)
Subscription assets	(1,769,371)	(987,475)	508,036	-	(2,248,810)
Total accumulated depreciation/amortization	(453,055,084)	(23,839,169)	1,056,720	-	(475,837,533)
Total capital assets, being depreciated/amortized, net	400,058,126	(10,169,503)	(910,002)	14,036,422	403,015,043
Total capital assets, net	\$ 482,534,269	\$ 23,273,076	\$ (5,734,535)	\$ -	\$ 500,072,810

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

General government	\$ 885,175
Community development	265,424
Public safety	2,040,087
Public works	14,916,459
Parks and recreation	2,823,835
Library	1,596,668
Internal service funds	1,311,521
Total depreciation/amortization expense	<u>\$ 23,839,169</u>

B. Business-Type Activities

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

	Balance	July 1, 2024	Additions	Deletions	Transfers	Balance	June 30, 2025
Capital assets, not being depreciated							
Land	\$ 4,052,298	\$ -	\$ -	\$ -	\$ -	\$ 4,052,298	\$ 4,052,298
Construction in progress	609,665,541	59,323,500	-	-	(448,377,358)	220,611,683	220,611,683
Total capital assets, not being depreciated	613,717,839	59,323,500	-	-	(448,377,358)	224,663,981	224,663,981
Capital assets, being depreciated/amortized							
Sewer treatment plant							
and transmission lines	290,577,867	-	-	-	448,080,226	738,658,093	738,658,093
Machinery and equipment	2,525,101	398,790	(14,222)	297,132	-	3,206,801	3,206,801
Leased assets - machinery and equipment	110,037	-	-	-	-	110,037	110,037
Subscription assets	-	219,971	-	-	-	219,971	219,971
Total capital assets, being depreciated/amortized	293,213,005	618,761	(14,222)	448,377,358	-	742,194,902	742,194,902
Accumulated depreciation/amortization:							
Sewer treatment plant							
and transmission lines	(121,253,432)	(4,938,134)	-	-	-	(126,191,566)	(126,191,566)
Machinery and equipment	(1,362,106)	(152,553)	14,222	-	-	(1,500,437)	(1,500,437)
Leased assets - machinery and equipment	(71,219)	(36,679)	-	-	-	(107,898)	(107,898)
Subscription assets	-	(8,555)	-	-	-	(8,555)	(8,555)
Total accumulated depreciation/amortization	(122,686,757)	(5,135,921)	14,222	-	-	(127,808,456)	(127,808,456)
Total capital assets, being depreciated/amortized, net	170,526,248	(4,517,160)	-	448,377,358	-	614,386,446	614,386,446
Total capital assets, net	\$ 784,244,087	\$ 54,806,340	\$ -	\$ -	\$ -	\$ 839,050,427	\$ 839,050,427

Depreciation and amortization expense was charged to the business-type activities as follows:

Sewer	\$ 5,133,070
Storm	2,851
Total depreciation/amortization expense	<u>\$ 5,135,921</u>

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities

A. Summary

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amounts</u>	<u>Outstanding at June 30, 2025</u>
<i>Governmental Activities</i>					
Direct Borrowing:					
CEC Streetlight Loan	2030	1.00%	\$254,364 - \$260,544	\$ 3,000,000	\$ 1,277,099
PG&E - Energy Efficiency Retrofit Loans	2031	0.00%	\$351,219	3,356,274	1,812,608
Advance liability	2047	3.00%	\$335,000 - \$2,530,000	45,765,000	40,145,000
Lease liability	2040	3.00%	\$306,083 - \$1,007,017	13,643,963	11,067,585
Subscription liability	2033	1.71% - 3.14%	\$309,519 - \$947,110	4,291,977	2,715,563
Public Borrowing:					
General Obligation Bonds, Series 2013 (Library Improvement Project)	2031	3.00% - 4.00%	\$1,520,000 - \$2,070,000	27,295,000	11,370,000
Lease Revenue Bonds, Series 2007A (Public Safety Project)	2039	Variable rate	\$480,000 - \$1,195,000	17,400,000	12,080,000
Revenue Refunding Bonds, Series 2018A (Golf Course Project)	2030	2.25% - 5.00%	\$495,000 - \$665,000	6,050,000	3,130,000
Total Governmental Activities				<u>\$ 120,802,214</u>	<u>\$ 83,597,855</u>
<i>Business-Type Activities</i>					
Direct Borrowing:					
Water Infrastructure Finance and Innovation Act (WIFIA) Loan	2056	1.31%	\$2,000,000 - \$17,407,595	\$ 295,479,360	\$ 295,479,360
Clean Water State Revolving Fund Loans (SRF) Loan - San Mateo	2055	0.80%	\$3,090,008-\$3,893,275	\$ 104,301,613	\$ 79,404,594
Public Borrowing:					
Sewer Revenue Bonds, Series 2014	2045	3.00% - 5.00%	\$670,000 - \$2,665,000	32,255,000	24,380,000
Wastewater Revenue Bonds, Series 2019	2050	4.00% - 5.00%	\$2,520,000 - \$16,020,000	236,180,000	236,180,000
Wastewater Revenue Refunding Bonds, Series 2021A	2042	2.00% - 5.00%	\$530,000 - \$935,000	14,265,000	12,410,000
Total Business-Type Activities				<u>\$ 682,480,973</u>	<u>\$ 647,853,954</u>
<i>Fiduciary Funds</i>					
Public Borrowing:					
Tax Allocation Refunding Bonds, Series 2015A	2033	4.00% - 5.00%	\$530,000 - \$4,150,000	\$ 31,210,000	\$ 28,090,000
Tax Allocation Refunding Bonds, Series 2017A	2026	2.00% - 5.00%	\$2,425,000 - \$3,100,000	21,440,000	3,100,000
Total Successor Agency				<u>\$ 52,650,000</u>	<u>\$ 31,190,000</u>

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities

A summary of changes in the long-term liabilities for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Debt Issued	Debt Retired	Balance June 30, 2025	Classification	
					Due within One Year	Due in More Than One Year
Bonds payable:						
General Obligation Refunding Bonds, Series 2013	\$ 13,030,000	\$ -	\$ (1,660,000)	\$ 11,370,000	\$ 1,720,000	\$ 9,650,000
plus: unamortized bond premium	955,750	-	(157,109)	798,641	-	798,641
Lease Revenue Bonds, Series 2007A	12,625,000	-	(545,000)	12,080,000	580,000	11,500,000
Revenue Refunding Bonds, Series 2018A	3,680,000	-	(550,000)	3,130,000	575,000	2,555,000
plus: unamortized bond premium	239,355	-	(47,087)	192,268	-	192,268
Total bonds payable	30,530,105	-	(2,959,196)	27,570,909	2,875,000	24,695,909
Advance payable to other government						
Advance payable to other government	41,430,000	-	(1,285,000)	40,145,000	1,340,000	38,805,000
plus: unamortized advance premium	6,826,907	-	(286,444)	6,540,463	-	6,540,463
Total advance payable to other government	48,256,907	-	(1,571,444)	46,685,463	1,340,000	45,345,463
Loans payable:						
CEC Streetlight Loan	1,524,968	-	(247,869)	1,277,099	250,354	1,026,745
PG&E - Energy Efficiency Retrofit Loans	2,163,827	-	(351,219)	1,812,608	351,219	1,461,389
Total loans payable	3,688,795	-	(599,088)	3,089,707	601,573	2,488,134
Lease liability	442,060	11,474,769	(849,244)	11,067,585	861,611	10,205,974
Subscription liability	3,650,644	770,051	(1,705,132)	2,715,563	730,238	1,985,325
Total	\$ 86,568,511	\$ 12,244,820	\$ (7,684,104)	\$ 91,129,227	\$ 6,408,422	\$ 84,720,805

General Obligation Refunding Bonds, Series 2013

On March 21, 2013, the City issued \$27,295,000 principal amount General Obligation Refunding Bonds (Library Improvement Project), Series 2013 (2013 Refunding Bonds). The proceeds of the 2013 Refunding Bonds were used to refund the 2000 and 2004A General Obligation Bonds. The 2000 and 2004A General Obligation Bonds were used to finance the construction, acquisition and improvement of a new main library and the improvement of the City's branch libraries. The General Obligation Refunding Bonds mature annually each August 1 through 2030, with installments ranging from \$1,520,000 to \$2,070,000. The interest on the Bonds is payable semi-annually on each February 1 and August 1, with coupons ranging from 3.0% to 4.0%.

The 2013 Refunding Bonds are secured by voter-approved, ad valorem property taxes. Annual principal and interest payments on the bonds are expected to require 100% percent of net revenues. Total principal and interest remaining to be paid on the 2013 Refunding Bonds is \$12,504,225. For the current year, principal and interest paid on the 2013 Refunding Bonds was \$2,062,350 and ad valorem property tax net revenues were \$1,699,475.

The annual debt service requirements on the 2013 General Obligation Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,720,000	\$ 351,650	\$ 2,071,650
2027	1,775,000	290,350	2,065,350
2028	1,860,000	217,650	2,077,650
2029	1,940,000	151,350	2,091,350
2030	2,005,000	92,175	2,097,175
2031	2,070,000	31,050	2,101,050
Total	\$ 11,370,000	\$ 1,134,225	\$ 12,504,225

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Lease Revenue Bonds, Series 2007A

On April 19, 2007, the City of San Mateo Joint Powers Financing Authority issued \$17,400,000 principal amount Variable Rate Demand Lease Revenue Bonds (Public Safety Project), Series 2007A (2007A Variable Rate Bonds). The proceeds of the 2007A Variable Rate Bonds contributed to the construction of a new police administration facility with a total project cost of \$58,500,000. Other sources of funding for this project included transient occupancy tax (hotel tax), redevelopment agency funds, sale of the existing police facility site, and General Fund contributions. The 2007A Variable Rate Bonds mature through April 1, 2039 with installments ranging from \$480,000 to \$1,195,000. The interest on the Bonds is payable monthly from the lease revenue to the Authority from the City. The interest rate on the Bonds is based on the weekly variable rate set by the remarketing agent, which can be no greater than 12% per annum. Weekly rates during the fiscal year varied from 0.58% to 3.70%, for an average weekly interest rate for the fiscal year of 2.05%. In addition, the letter of credit is with Wells Fargo and has an annual fee of 0.45%. The City also pays letter of credit (LOC) bank fees and remarketing agent fees on a quarterly basis. The remarketing agent is Stifel, Nicolaus & Co. and the annual remarketing fee has been 0.09% since 2007.

The City has elected to use the 2% transient occupancy tax (hotel tax) authorized by Measure C, backed by a General Fund lease, to pay the annual principal and interest payments on the bonds. For the current year, principal, interest and other debt expenses paid were \$827,515, while 2% transient occupancy tax revenues (TOT) were \$783,669, resulting in a net loss of \$43,846. This fund typically generated annual debt service coverage of 2:1, and the accumulated surplus of hotel tax revenues not needed for debt service serve as a built-in hedge against interest rate volatility. Variable rate debt requires that the City constantly monitors risk versus return and consider whether to retain this debt structure. Total principal remaining to be paid on the 2007A Lease Revenue Bonds is \$12,080,000.

The annual principal requirements on these bonds are as follows:

Year Ending				
June 30,	Principal	Interest*		Total
2026	\$ 580,000	\$ -		\$ 580,000
2027	615,000	-		615,000
2028	655,000	-		655,000
2029	695,000	-		695,000
2030	735,000	-		735,000
2031-2035	4,365,000	-		4,365,000
2036-2039	4,435,000	-		4,435,000
Total	\$ 12,080,000	\$ -		\$ 12,080,000

*Interest based on weekly variable rate, therefore, annual interest requirements indeterminable

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Revenue Refunding Bonds, Series 2018A

On May 1, 2018, JPFA issued \$6,050,000 in Revenue Refunding Bonds Series 2018A (2018A Revenue Bonds) to refinance the City of San Mateo Joint Powers Financing Authority Revenue Bonds, Refunding Series 2007B, which were issued to refinance the City of San Mateo Joint Powers Financing Authority Revenue Bonds, Series 1999 (issued to finance the construction and renovation of an 18-hole municipal golf course and appurtenant facilities). The refunding resulted in \$516,000 gross debt service (principal and interest) savings over 20 years, and an economic gain of \$420,000. The refunding resulted in an accounting deferred loss on refunding of \$151,432. The 2018A Revenue Bonds mature through August 1, 2029, with installments ranging from \$495,000 to \$665,000. The interest on the Bonds is payable semi-annually on each February 1 and August 1, and coupons range from 2.25% to 5% annually. The 2018A Revenue Bonds are payable solely from golf course facility lease revenue to the JPFA. The 2018A Revenue Bonds are subject to early redemption provisions.

Prior to fiscal year 2018-19, the City funded the lease payments to the JPFA from golf charges for services from the enterprise Golf Fund. Beginning fiscal year 2018-19, in recognition of the annual subsidy of golf operations from the City's General Fund, the City moved its enterprise Golf Fund to the General Fund as a sub-fund. As such, lease payments to the JPFA are funded by the City's General Fund since 2018-19. Principal and interest paid for the current year and golf course facility gross revenues were \$669,100 and \$3,458,094, respectively. The total principal and interest remaining to be paid on the bonds is \$3,354,313.

The annual debt service requirements on these bonds are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2026	\$ 575,000	\$ 90,975	\$ 665,975	
2027	605,000	61,475	666,475	
2028	635,000	39,206	674,206	
2029	650,000	24,344	674,344	
2030	665,000	8,313	673,313	
Total	\$ 3,130,000	\$ 224,313	\$ 3,354,313	

Advance Payable to Other Government

On February 27, 2020, the JPFA issued the 2020 Series A and B Lease Revenue Bonds utilizing a Lease-leaseback agreement between the JPFA and the City. The lease agreement required the JPFA to pay upfront for the right to use of the buildings and leasehold improvements, owned by the City, over a period of time corresponding to the JPFA's debt service requirement. The leaseback agreement required the City to make rental payments in amounts corresponding to the JPFA's debt services requirements and related costs. Per the implementation of GASB 87 *Leases*, the components of lease-leaseback agreements are to be netted in the financial statements, therefore the Authority will only record an advance receivable from other government for the amount to be paid back by the City for the upfront lease payment which reflects the present value of remaining future lease payments due to the JPFA. As of June 30, 2025, the City's advance payable to other government balance was \$40,145,000 with a remaining premium on advance balance of \$6,540,463. Total principal and interest remaining to be paid on the advance from other government is \$62,439,792.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Advance Payable to Other Government (Continued)

The annual debt service requirements on the advance payable to other government are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 1,340,000	\$ 1,680,638	\$ 3,020,638
2027	1,395,000	1,624,313	3,019,313
2028	1,440,000	1,575,436	3,015,436
2029	1,490,000	1,524,568	3,014,568
2030	1,545,000	1,471,538	3,016,538
2031-2035	6,710,000	6,443,000	13,153,000
2036-2040	8,515,000	4,641,700	13,156,700
2041-2045	10,410,000	2,742,000	13,152,000
2046-2048	7,300,000	591,600	7,891,600
Total	\$ 40,145,000	\$ 22,294,792	\$ 62,439,792

CEC Streetlight Loan

On January 14, 2015, the City entered into a loan agreement with the State of California Energy Conservation and Development Commission in the amount of \$3,000,000 for the City-wide LED and High Voltage Conversion project. Loan funds are to be disbursed to the City on a reimbursement basis based on invoices submitted by the City for actual expenditures incurred for the project.

Semiannual payments due to the Energy Commission under this agreement are expected to be made from savings in energy costs or other available funds. The loan accrues interest at a rate of 1.00% per annum on the unpaid principal computed from the date of each disbursement to the City. The loan is for a period of 15 years.

The annual debt service requirements for the CEC Streetlight Loan are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 250,354	\$ 12,148	\$ 262,502
2027	252,863	9,639	262,502
2028	255,381	7,121	262,502
2029	257,958	4,544	262,502
2030	260,543	1,957	262,500
Total	\$ 1,277,099	\$ 35,409	\$ 1,312,508

PG&E – Energy Efficiency Retrofit Loans

On February 24, 2020, the City modified the loan agreement with Pacific Gas and Electric Company in the amount of \$3,356,274 for the Sustainable Solutions Turnkey project. Loan funds are to be disbursed to the City on a reimbursement basis based on invoices submitted by the City for actual expenditures incurred for the project.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

PG&E – Energy Efficiency Retrofit Loans (Continued)

Monthly payments due under this agreement are expected to be made from savings in energy costs or other available funds. The loan does not accrue interest. The loan has a 10 year term.

The annual debt service requirements for the Energy Efficiency Retrofit Loans are as follows:

Year Ending				Total
June 30,	Principal	Interest	Total	
2026	\$ 351,219	\$ -	\$ 351,219	
2027	351,219	-	351,219	
2028	351,219	-	351,219	
2029	351,219	-	351,219	
2030	351,219	-	351,219	
2031	56,513	-	56,513	
Total	\$ 1,812,608	\$ -	\$ 1,812,608	

Lease Liability

The City has entered into leases for building space and equipment use. The terms of the agreements range from 3 to 16 years. The calculated interest rate used was between 0.46% to 2.95%. As of June 30, 2025, the capitalized right-to-use assets related to leases were \$13,649,386 and the total lease liability was \$11,067,585, of which \$861,611 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements for the lease liability are as follows:

Year Ending				Total
June 30,	Principal	Interest	Total	
2026	\$ 861,611	\$ 170,105	\$ 1,031,716	
2027	864,398	232,428	1,096,826	
2028	899,593	210,675	1,110,268	
2029	873,844	188,775	1,062,619	
2030	892,118	167,537	1,059,655	
2031-2035	4,799,357	498,918	5,298,275	
2036-2040	1,876,664	75,094	1,951,758	
Total	\$ 11,067,585	\$ 1,543,532	\$ 12,611,117	

Subscription Liability

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 3 to 10 years. The calculated interest rate used was between 0.00% and 3.14%, depending on the length of the SBITA and date of the agreement.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Subscription Liability (Continued)

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$6,237,213 and the total subscription liability was \$2,715,563, of which \$730,238 is reported as a current liability representing the amount due within the next fiscal year. Out of the total \$1,705,132 in retired SBITA liabilities, \$824,780 was accounted for as the SBITA contract termination liability.

The annual debt service requirements for the subscription liability are as follows:

Year Ending	Principal			Interest	Total
June 30,	Principal	Interest	Total	Principal	Interest
2026	\$ 730,238	\$ 48,724	\$ 778,962		
2027	491,184	33,534	524,718		
2028	442,837	23,216	466,053		
2029	299,143	14,265	313,408		
2030	307,572	8,837	316,409		
2031-2035	444,589	3,225	447,814		
Total	\$ 2,715,563	\$ 146,850	\$ 2,847,364		

C. Business-Type Activities

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2025, is as follows:

	Balance	Debt	Debt	Balance	Classification	
					Issued	Retired
					July 1, 2024	June 30, 2025
Bonds payable:						
Sewer Revenue Bonds, Series 2014A	\$ 25,680,000	\$	-	\$ 24,380,000	\$ 1,365,000	\$ 23,015,000
plus: unamortized bond premium	1,513,750	-	(75,688)	1,438,062	-	1,438,062
Wastewater Revenue Bonds, Series 2019	236,180,000	-	-	236,180,000	2,520,000	233,660,000
plus: unamortized bond premium	38,976,242	-	(1,618,391)	37,357,851	-	37,357,851
Wastewater Revenue Refunding Bonds, Series 2021A	13,070,000	-	(660,000)	12,410,000	690,000	11,720,000
plus: unamortized bond premium	3,146,203	-	(174,789)	2,971,414	-	2,971,414
Total bonds payable	318,566,195	-	(3,828,868)	314,737,327	4,575,000	310,162,327
Notes payable:						
Water Infrastructure Finance and Innovation Act (WIFIA) Loan	295,479,360	-	-	295,479,360	3,042,797	292,436,563
Clean Water State Revolving Fund Loans (SRF) Loan - San Mateo	-	79,404,594	-	79,404,594	-	79,404,594
Total notes payable	295,479,360	79,404,594	-	374,883,954	3,042,797	371,841,157
Lease liability	37,968	-	(37,968)	-	-	-
Subscription liability	-	219,971	(71,319)	148,652	71,466	77,186
Total	\$ 614,083,523	\$ 79,624,565	\$ (3,938,155)	\$ 689,769,933	\$ 7,689,263	\$ 682,080,670

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Sewer Revenue Bonds, Series 2014A

On July 2, 2014, the City issued Sewer Revenue Bonds, Series 2014A (Series 2014A Bonds), totaling \$32,255,000. The purpose was to refund the City's outstanding Sewer Revenue Bonds, Series 2003, and finance various improvements to the City's municipal sewer enterprise.

The Series 2014A Bonds mature through August 1, 2044, with installments ranging from \$670,000 to \$2,665,000. The interest on the Series 2014A Bonds is payable semi-annually on February 1 and August 1 of each year, with coupons ranging from 3.00% to 5.00%. The Series 2014A Bonds are payable solely from net revenues received by the City from the operation of the sewer enterprise and certain funds and accounts held under the Indenture. Total principal and interest remaining to be paid on the Bonds is \$34,971,745.

The annual debt service requirements on the Series 2014A Bonds are as follows:

Year Ending	Total		
June 30,	Principal	Interest	Total
2026	\$ 1,365,000	\$ 926,190	\$ 2,291,190
2027	1,435,000	856,190	2,291,190
2028	1,510,000	782,565	2,292,565
2029	1,570,000	721,265	2,291,265
2030	670,000	687,246	1,357,246
2031-2035	3,705,000	3,086,051	6,791,051
2036-2040	4,420,000	2,366,538	6,786,538
2041-2045	9,705,000	1,165,700	10,870,700
Total	\$ 24,380,000	\$ 10,591,745	\$ 34,971,745

Wastewater Revenue Bonds, Series 2019

In June of 2019, the City of San Mateo and the Estero Municipal Improvement District/City of Foster City jointly issued the 2019 Series Wastewater Revenue Bonds in the amount of \$270,000,000 (2019 Wastewater Bonds) through a joint powers financing authority, San Mateo-Foster City Public Financing Authority (Authority). Of the total issuance amount, the City is responsible for \$236,180,000. Interest payments are payable semi-annually on February 1 and August 1, commencing February 1, 2020. The bonds mature through August 1, 2049, and bear interest at the rate of 4.00% - 5.00%. The issuance resulted in a bond premium of \$53,780,407, of which the City's share was \$47,201,120.

Interest payments and revenue bond retirements are serviced by the revenues generated by the City of San Mateo Sewer Enterprise Fund and the Foster City/Estero Municipal Improvement District Wastewater Enterprise Fund pursuant to a reimbursement agreement. The City's total principal and interest remaining to be paid on the bonds is \$402,213,225.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

The annual debt service requirements on the 2019 Wastewater Bonds are as follows:

Year Ending	Principal			Interest			Total		
June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 2,520,000	\$ 10,884,250	\$ 13,404,250						
2027	3,650,000	10,730,000	14,380,000						
2028	4,830,000	10,518,000	15,348,000						
2029	5,070,000	10,270,500	15,340,500						
2030	5,325,000	10,010,625	15,335,625						
2031-2035	37,170,000	44,926,750	82,096,750						
2036-2040	47,000,000	35,103,225	82,103,225						
2041-2045	57,960,000	24,144,750	82,104,750						
2046-2050	72,655,000	9,445,125	82,100,125						
Total	\$ 236,180,000	\$ 166,033,225	\$ 402,213,225						

Wastewater Revenue Refunding Bonds, Series 2021A

On July 1, 2021, the Authority issued the 2021 Series A Wastewater Revenue Refunding Bonds in the amount of \$14,265,000. The Bonds were issued to refund the City of San Mateo's 2011 Series A Bonds, which provided an arbitrage yield of 0.465% and \$7.4 million in PV debt service savings. The aggregate difference between the remaining debt service requirements of the 2011A Bonds and the Revenue Refunding Bonds at the time of refunding was \$634,014.

The Series 2021A Bonds mature annually each August 1 through 2041, with installments ranging from \$530,000 to \$935,000. Interest payments are payable semi- annually on February 1 and August 1, commencing February 1, 2022. The bonds mature through August 1, 2041, and bear interest at the rate of 1.55-5.00%. The issuance resulted in a bond premium of \$3,670,571. The Series 2021A Bonds are payable solely from net revenues received by the City from the operation of the sewer enterprise and certain funds and accounts held under the Indenture. Total principal and interest remaining to be paid on the Bonds is \$17,099,825.

The annual debt service requirements for the Series 2021A Bonds are as follows:

Year Ending	Principal			Interest			Total		
June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 690,000	\$ 543,300	\$ 1,233,300						
2027	730,000	507,800	1,237,800						
2028	770,000	470,300	1,240,300						
2029	810,000	430,800	1,240,800						
2030	530,000	397,300	927,300						
2031-2035	3,100,000	1,548,500	4,648,500						
2036-2040	3,950,000	731,850	4,681,850						
2041-2042	1,830,000	59,975	1,889,975						
Total	\$ 12,410,000	\$ 4,689,825	\$ 17,099,825						

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Treatment of Revenue Bonds in Aggregate

The City has covenanted in the indenture, to the maximum extent permitted by law, to set rates and charges for the service and facilities of the Sewer Enterprise sufficient to provide net revenues each fiscal year equal to 120% of the aggregate annual amount of principal and interest due on all parity obligations for such fiscal year and sufficient to provide net revenues each fiscal year equal to at least 100% of the aggregate amount of principal and interest due on all parity obligations and subordinate obligations for such fiscal year.

There are four revenue bonds/notes secured by revenues received from the operation of the Sewer Enterprise: Series 2014A Sewer bonds, 2019 Wastewater bonds, and 2021 Wastewater bonds. Annual principal and interest payments on the three bonds are expected to require 20% of net revenues. For the current year, principal and interest paid on the Series 2014A Sewer bonds was \$2,292,815, on the 2019 Wastewater bonds was \$10,947,250, and on the 2021 Wastewater bonds was \$1,237,050. Sewer services net revenues were \$51,035,078.

Water Infrastructure Finance and Innovation Act Loan

In 2020, the PFA entered into the Wastewater Infrastructure Finance and Innovation Act (WIFIA) loan agreements with the U.S. Environmental Protection Agency (EPA) for capital improvement projects of the wastewater treatment plant (WWTP), jointly owned by San Mateo and Foster City/EMID, up to \$210,339,360 (San Mateo) and \$66,860,640 (Foster City/EMID), respectively. In addition, San Mateo's WIFIA loan for its Basin 2 & 3 collection project allows for loan proceeds up to \$85,140,000. San Mateo's WWTP WIFIA loan bears interest at 1.32% and its Basin 2 & 3 WIFIA loan bears interest at 1.31%. Foster City/EMID's WWTP loan bears interest at 1.14%. Interest payments and revenue bond retirements are serviced by lease payments made by the City and Foster City/EMID.

On February 9, 2024, EPA approved the loan amendments to allow for early draws on the WIFIA loans. Subsequently, San Mateo and Foster City/EMID submitted draw requisitions for the full amount of their WIFIA loans, \$66,860,640 for Foster City/EMID and \$295,479,360 for San Mateo.

On February 15, 2024, City received the WIFIA loan proceeds and used part of the loan proceeds to defease the 2021 Wastewater Revenue Notes, Series B. The defeasances were closed on February 15, 2024. Interest payments are payable semi-annually on February 1 and August 1, commencing August 1, 2024. The bonds mature through August 1, 2055, and bear interest at the rate of 1.31%. The total principal and interest remaining to be paid on the bonds at June 30, 2025 was \$366,855,156.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Water Infrastructure Finance and Innovation Act Loan (Continued)

The annual debt service requirements for the WIFIA loans outstanding at June 30, 2025 are as follows:

Year Ending	Principal			Interest	Total
June 30,	Principal	Interest	Total	Principal	Interest
2026	\$ 3,042,797	\$ 3,871,849	\$ 6,914,646		
2027	3,488,616	3,828,980	7,317,596		
2028	3,940,356	3,780,190	7,720,546		
2029	4,398,095	3,725,400	8,123,495		
2030	4,861,913	3,664,531	8,526,444		
2031-2035	31,485,316	17,191,147	48,676,463		
2036-2040	44,040,337	14,709,865	58,750,202		
2041-2045	57,451,490	11,372,451	68,823,941		
2046-2050	71,777,156	7,120,523	78,897,679		
2051-2055	66,390,463	2,080,648	68,471,111		
2056	4,602,821	30,212	4,633,033		
Total	<u>\$ 295,479,360</u>	<u>\$ 71,375,796</u>	<u>\$ 366,855,156</u>		

Clean Water State Revolving Fund Loans

In 2025, San Mateo-Foster City Public Financing Authority (the “Authority”) entered into the Clean Water State Revolving Fund (SRF) loan agreements with the State Water Resources Control Board for capital improvement projects of the wastewater treatment plant (WWTP), jointly owned by San Mateo and Foster City/EMID, up to \$104,301,613 (San Mateo) and \$33,154,387 (Foster City/EMID), respectively. As of 2025, the PFA had drawn a total of \$104,644,958, with \$79,404,594 allocated to San Mateo and \$25,240,364 to Foster City/EMID. Interest payments and revenue bond retirements are serviced by loans payments made by the City San Mateo and Foster City/EMID. The interest rate used is 0.80%. The total principal and interest remaining to be paid on the bonds for the City’s portions at June 30, 2025 was \$89,647,985.

The annual debt service requirements for the SRF loans outstanding at June 30, 2025 are as follows:

Year Ending	Principal			Interest	Total
June 30,	Principal	Interest	Total	Principal	Interest
2026	\$ -	\$ -	\$ -		
2027	2,356,645	636,379	2,993,024		
2028	2,375,499	617,525	2,993,024		
2029	2,394,503	598,521	2,993,024		
2030	2,413,659	579,365	2,993,024		
2031-2035	12,361,040	2,604,080	14,965,120		
2036-2040	12,863,456	2,101,664	14,965,120		
2041-2045	13,386,293	1,578,827	14,965,120		
2046-2050	13,930,381	1,034,740	14,965,121		
2051-2055	14,496,584	468,536	14,965,120		
2056	2,826,534	23,754	2,850,288		
Total	<u>\$ 79,404,594</u>	<u>\$ 10,243,391</u>	<u>\$ 89,647,985</u>		

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Lease Liability

The City has entered into a lease for equipment use. The terms of the agreements was for 3 years. The calculated interest rate based on the length of the lease was 0.46 percent. As of June 30, 2025, the capitalized right-to-use assets related to leases were \$110,037 and the total lease liability has no outstanding balance.

Subscription Liability

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription, with initial non-cancellable terms is 3 years. The calculated interest rate used is 2.72%.

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$219,971 and the total subscription liability was \$148,652, of which \$71,466 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements for the subscription liability are as follows:

Year Ending	Principal			Interest	Total
June 30,	Principal	Interest	Principal	Interest	Total
2026	\$ 71,466	\$ 4,048	\$ 75,514		
2027	77,186	2,102	79,288		
Total	\$ 148,652	\$ 21,199	\$ 154,802		

D. Fiduciary Funds Private Purpose Trust Funds - Successor Agency to the Redevelopment Agency of the City of San Mateo

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2025, is as follows:

	Balance	Debt	Debt	Balance	Classification					
					Issued	Retired	June 30, 2025	Due within	Due in More	Than One Year
					One Year	Than One Year				
Fiduciary Activities:										
Bonds payable:										
Tax Allocation Refunding Bonds, Series 2015A	\$ 29,415,000	\$	-	\$ (1,325,000)	\$ 28,090,000	\$ 1,375,000	\$ 26,715,000			
plus: unamortized bond premium	1,458,727		-	(182,340)	1,276,387			-	1,276,387	
Tax Allocation Refunding Bonds, Series 2017A	6,045,000		-	(2,945,000)	3,100,000	3,100,000				-
plus: unamortized bond premium	452,265		-	(417,478)	34,787			-	34,787	
Total bonds payable	37,370,992		-	(4,869,818)	32,501,174	4,475,000			28,026,174	
Total	\$ 37,370,992	\$	-	\$ (4,869,818)	\$ 32,501,174	\$ 4,475,000			\$ 28,026,174	

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

D. Fiduciary Funds Private Purpose Trust Funds - Successor Agency to the Redevelopment Agency of the City of San Mateo (Continued)

Tax Allocation Refunding Bonds, Series 2015A

On August 5, 2015, the Successor Agency of the Redevelopment Agency of the City of San Mateo issued \$31,210,000 principal amount Tax Allocation Refunding Bonds, Series 2015A (2015A Refunding Bonds). The proceeds of the 2015A Refunding Bonds were used to advance refund the Merged Area Tax Allocation Bonds, Series 2005A Bonds. The 2015A Refunding Bonds are tax-exempt. The 2015A Refunding Bonds mature through August 1, 2032, with installments ranging from \$530,000 to \$4,150,000. The interest on the 2015A Refunding Bonds is payable semi-annually on each February 1 and August 1, with coupon rates ranging from 4.00% to 5.00%. The 2015A Refunding Bonds are subject to early redemption provisions. Total principal and interest remaining to be paid on the Bonds is \$33,873,625.

The annual debt service requirements on the 2015A Refunding Bonds are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 1,375,000	\$ 1,321,750	\$ 2,696,750
2027	3,840,000	1,198,250	5,038,250
2028	4,025,000	1,001,625	5,026,625
2029	3,410,000	815,750	4,225,750
2030	3,580,000	641,000	4,221,000
2031-2033	11,860,000	805,250	12,665,250
Total	\$ 28,090,000	\$ 5,783,625	\$ 33,873,625

Tax Allocation Refunding Bonds, Series 2017A

On October 17, 2017, the Successor Agency of the Redevelopment Agency of the City of San Mateo issued \$21,440,000 principal amount Tax Allocation Refunding Bonds, Series 2017A (2017A Refunding Bonds). The proceeds of the 2017A Refunding Bonds were used to advance refund the tax-exempt Merged Area Tax Allocation Refunding Bonds, Series 2007A. The 2017A Refunding Bonds are tax-exempt. The 2017A Refunding Bonds mature through August 1, 2026, with installments ranging from \$2,425,000 to \$3,100,000. The interest on the 2017A Refunding Bonds is payable semi-annually on each February 1 and August 1, with coupon rates of 5.00%. The 2017A Refunding Bonds are subject to early redemption provisions. Total principal and interest remaining to be paid on the Bonds is \$3,177,500.

The annual debt service requirements on the 2017A Refunding Bonds are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 3,100,000	\$ 77,500	\$ 3,177,500
Total	\$ 3,100,000	\$ 77,500	\$ 3,177,500

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

D. Fiduciary Funds Private Purpose Trust Funds - Successor Agency to the Redevelopment Agency of the City of San Mateo (Continued)

Pledged Revenues

Tax Allocation Bonds held by the Successor Agency of the Redevelopment Agency of the City of San Mateo are secured by property tax revenues. For the current year, principal and interest paid on the Series 2015A and 2017A, Tax Allocation Bonds were \$2,700,750 and \$3,173,625 respectively and Redevelopment Agency Property Tax Trust Fund distributions were \$5,999,251.

Note 8 – Special Assessment Debt with No City Commitment

The City issued special tax and assessment bonds on behalf of property owners, pursuant to the Improvement Bond Act of 1915 and the Mellow-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City has authorized the formation of the Bay Meadows Community Facilities District No. 2008-1 (Bay Meadows CFD), acting through its eligible landowner voters, and the issuance of bonds under the public improvement act (Mello-Roos Community Facilities Act of 1982) of the State of California to finance eligible public facilities necessary to serve developing commercial, industrial, residential and/or mixed use developments. The bonds are secured by annual special tax levies or liens placed on the property within the district.

The City is not liable for repayment and acts only as an agent for the property owners in collecting the special taxes or assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings when necessary. These bonds are payable solely from special taxes or assessments, specific reserves, and the proceeds from property foreclosures to be levied by the Bay Meadows CFD. The City is the collecting and paying agent for the debt, but has no direct or contingent liability for the payment of this debt. Accordingly, the special tax bonds are not reported as liabilities in the City's basic financial statements.

Noncommittal debt amounts issued and outstanding at June 30, 2025 are as follows:

	Original Amount	Outstanding Balance June 30, 2025
CFD 2008-1, Series Special Tax Bonds Refunding Bonds Series 2022	\$ 72,345,000	\$ 70,210,000

Note 9 – Compensated Absences

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2025 is as follows:

	Balance		Classification	
	July 1, 2024, as Restated	Increase/ Decrease	Balance June 30, 2025	Due within One Year
Compensated absences	\$ 12,990,333	\$ 347,943	\$ 13,338,276	\$ 1,467,210
				\$ 11,871,066

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Compensated Absences (Continued)

B. Business-Type Activities

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2025 is as follows:

	Balance		Balance June 30, 2025	Classification	
	July 1, 2024, as Restated	Increase/ Decrease		Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,415,210	\$ (219,659)	\$ 1,195,551	\$ 131,511	\$ 1,064,040

Note 10 – Landfill Closure

The City is responsible for closing the East Third Avenue Waste Disposal and Landfill site in accordance with the California Code of Regulations under the jurisdiction of the California Integrated Waste Management Board. In fiscal year 1992, the City developed a Closure Plan that in management's view will meet all regulatory requirements. As stated in the California Code of Regulations, Division 2 Title 27 Article 2 Section 21180, "a) the landfill shall be maintained and monitored for a period of not less than fifteen (15) years after the completion of closure of the entire solid waste landfill." The landfill is at capacity and inactive, and final closure occurred in FY 2005-06.

A summary of changes in the Landfill Post-Closure Costs Payable in the Government-Wide Financial Statements for the year ended June 20, 2025 is as follows:

	Balance			Balance June 30, 2025	Classification	
	July 1, 2024	Additions	Deletions		Due within One Year	Due in More Than One Year
Landfill closure and post-closure costs payable	\$ 1,728,952	\$ 184,340	\$ (115,264)	\$ 1,798,028	\$ 119,689	\$ 1,678,339

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 9,551,532	\$ 2,609,487	\$ 12,161,019
CalPERS Safety	18,837,252	-	18,837,252
Total pension contribution made after measurement date	<u>28,388,784</u>	<u>2,609,487</u>	<u>30,998,271</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	2,846,602	777,694	3,624,296
CalPERS Safety	4,490,540	-	4,490,540
Total projected earnings on pension plan investments in excess of actual earnings	<u>7,337,142</u>	<u>777,694</u>	<u>8,114,836</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	1,413,124	386,066	1,799,190
CalPERS Safety	1,238,971	-	1,238,971
Total difference between expected and actual experience	<u>2,652,095</u>	<u>386,066</u>	<u>3,038,161</u>
Total deferred outflows of resources			
CalPERS Miscellaneous	13,811,258	3,773,247	17,584,505
CalPERS Safety	24,566,763	-	24,566,763
Total deferred outflows of resources	<u>\$ 38,378,021</u>	<u>\$ 3,773,247</u>	<u>\$ 42,151,268</u>
Net pension liability:			
CalPERS Miscellaneous	\$ 70,979,259	\$ 19,391,597	\$ 90,370,856
CalPERS Safety	184,703,423	-	184,703,423
Total net pension liability	<u>\$ 255,682,682</u>	<u>\$ 19,391,597</u>	<u>\$ 275,074,279</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 11,260,470	\$ 3,076,370	\$ 14,336,840
CalPERS Safety	19,201,832	-	19,201,832
Total net pension expenses	<u>\$ 30,462,302</u>	<u>\$ 3,076,370</u>	<u>\$ 33,538,672</u>

B. General Information about Pension

Plan Description

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous or Safety Agent multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

Employees Covered

At June 30, 2024, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous Plan	Safety Plan	Total
Active employees	358	106	464
Transferred and terminated employees	467	187	654
Retired employees and beneficiaries	663	405	1,068
Total	1,488	698	2,186

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

Hire Date	Miscellaneous Plan	Safety Plan
Benefit formula	2.0% @ 55	3% @ 50
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	50
Monthly benefits, as a % of eligible compensation	2.0%	3.0%
Required employee contribution rates for Classic members	7.00%	9.00%
Required employer contribution rates	9.44%	20.38%
Final Annual Compensation	1 year	1 year

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired on or after January 1, 2013 who are new to Public Employee Retirement Systems (PERS). These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

Contributions

Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans 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 (normal cost), with additional amount to finance any unfunded accrued liability (UAL). The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2024 (the measurement date), the average active employee contribution rate is 7 percent of annual pay for the Miscellaneous Plan and 10 percent of annual pay for the Safety Plan, and employer contribution rate is 27.76 percent of annual payroll for the Miscellaneous Plan and 91.35 percent of annual payroll for the Safety Plan. Of note, the pension liability for the service years of former City employees that transferred to the San Mateo Consolidated Fire Department remains with the City, thus the UAL as a percentage of payroll is higher, as the UAL is relative to the remaining Safety Plan members (Police Department employees). As of June 30, 2025, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

For the year ended June 30, 2025, contributions made to the plans were follows:

	Miscellaneous Plan	Safety Plan
Contributions - employer	\$ 12,161,019	\$ 18,837,252

Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown as follows.

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection. Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the 20 years using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

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

² Figures are based on the 2021 Asset Liability Management study

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

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

The following presents the City's net pension liability, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(5.90%)	Rate (6.90%)	(7.90%)
Miscellaneous Plan	\$ 133,554,734	\$ 90,370,856	\$ 54,601,826
Safety Plan	\$ 249,669,738	\$ 184,703,423	\$ 131,335,228

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

Miscellaneous Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023 (Valuation Date)	\$ 332,493,990	\$ 236,692,324	\$ 95,801,666
Changes in the year:			
Service cost	6,168,273	-	6,168,273
Interest on the total pension liabilities	22,611,449	-	22,611,449
Changes in benefit terms	-	-	-
Differences between expected and actual experience	1,704,397	-	1,704,397
Benefit payments, including refunds of members contributions	(19,160,708)	(19,160,708)	-
Contributions - employer	-	10,792,551	(10,792,551)
Contributions - employee	-	2,678,257	(2,678,257)
Net investment income	-	22,636,718	(22,636,718)
Administrative expenses	-	(192,597)	192,597
Net changes	11,323,411	16,754,221	(5,430,810)
Balance at June 30, 2024 (Measurement Date)	\$ 343,817,401	\$ 253,446,545	\$ 90,370,856
Safety Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023 (Valuation Date)	\$ 485,920,883	\$ 294,234,877	\$ 191,686,006
Changes in the year:			
Service cost	5,287,654	-	5,287,654
Interest on the total pension liabilities	32,936,050	-	32,936,050
Changes in benefit terms	-	-	-
Differences between expected and actual experience	2,246,725	-	2,246,725
Benefit payments, including refunds of members contributions	(26,954,756)	(26,954,756)	-
Contributions - employer	-	17,313,207	(17,313,207)
Contributions - employee	-	2,162,214	(2,162,214)
Net investment income	-	28,217,011	(28,217,011)
Administrative expenses	-	(239,420)	239,420
Net changes	13,515,673	20,498,256	(6,982,583)
Balance at June 30, 2024 (Measurement Date)	\$ 499,436,556	\$ 314,733,133	\$ 184,703,423

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense in the amount of \$14,336,840 and \$19,201,832 for the miscellaneous and safety plans, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line 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.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. For the Miscellaneous Plan, the EARSL for the Miscellaneous Plan for the 2023-24 measurement period is 2.6 years, which was obtained by dividing the total service years of 3,929 (the sum of remaining service lifetimes of the active employees) by 1,488 (the total number of participants: active, inactive, and retired). For the Safety Plan, the EARSL for the 2023-24 measurement period is 2.0 years, which was obtained by dividing the total service years of 1,389 (the sum of remaining service lifetimes of the active employees) by 698 (the total number of participants: active, inactive, and retired).

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Pension contributions made subsequent to measurement date	\$ 12,161,019	\$ -	-
Difference between projected and actual earning on pension plan investments	3,624,296	-	-
Differences between expected and actual experience	1,799,190	-	-
Total	\$ 17,584,505	\$ -	-
Safety Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Pension contributions made subsequent to measurement date	\$ 18,837,252	\$ -	-
Difference between projected and actual earning on pension plan investments	4,490,540	-	-
Differences between expected and actual experience	1,238,971	-	-
Total	\$ 24,566,763	\$ -	-

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 11 – Pension Plans (Continued)

B. General Information about Pension (Continued)

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

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 30,998,271	\$ -
Difference between projected and actual earning on pension plan investments	8,114,836	-
Differences between expected and actual experience	3,038,161	-
Total	\$ 42,151,268	\$ -

For the Miscellaneous and Safety Plans, \$12,161,019 and \$18,837,252, respectively, was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources			Total
	Miscellaneous Plan	Safety Plan	Total	
2026	\$ 1,146,669	\$ 807,165	\$ 1,953,834	
2027	6,589,536	7,851,558	14,441,094	
2028	(1,009,945)	(1,291,562)	(2,301,507)	
2029	(1,302,774)	(1,637,650)	(2,940,424)	
2030	-	-	-	
Thereafter	-	-	-	
	\$ 5,423,486	\$ 5,729,511	\$ 11,152,997	

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Social Security

Total contributions to Social Security for all City employees during the year ended June 30, 2025 amounted to \$5,536,331 of which the City paid \$2,768,166.

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal and temporary employees are covered under an alternative savings plan, which requires these employees and the City to each contribute 3.75% of the employees' pay for a total of 7.50%.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 1,371,272	\$ 191,451	\$ 1,562,723
Net difference between projected and actual earnings of OPEB Plan investments	21,765	3,039	24,804
Difference between expected and actual experience	2,848,655	397,717	3,246,372
Total deferred outflows of resources	<u>\$ 4,241,692</u>	<u>\$ 592,207</u>	<u>\$ 4,833,899</u>
Net OPEB Liability	<u><u>\$ 9,067,185</u></u>	<u><u>\$ 1,294,795</u></u>	<u><u>\$ 10,361,980</u></u>
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 186,034	\$ 22,155	\$ 208,189
Change in assumptions	1,256,829	149,681	1,406,510
Total deferred inflows of resources	<u>\$ 1,442,863</u>	<u>\$ 171,836</u>	<u>\$ 1,614,699</u>
OPEB Expense	<u><u>\$ 774,923</u></u>	<u><u>\$ 211,737</u></u>	<u><u>\$ 986,660</u></u>

B. General Information about OPEB

Plan Description

The City administers a single-employer defined benefit post-employment healthcare plan. Merit employees who retire directly from the City under CalPERS at the minimum age 50 with at least 5 years of CalPERS service (or disability) are eligible to receive \$160 per month for medical insurance premiums paid to CalPERS. This same benefit may continue to a surviving spouse depending on the retirement plan election. As of June 30, 2024, there were 363 retirees receiving post-employment health care benefits from the City.

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active employees	463
Inactive employees or beneficiaries currently receiving benefits	363
Inactive employees entitled to, but not yet receiving benefits	234
Total	<u>1,060</u>

Contribution

Beginning in the fiscal year 2012-13, the City pre-funds the Plan through California Employers' Retiree Benefit Trust (CERBT) by contributing the City's Actuarially Determined Contribution (ADC) every year. For the reporting period 2024-25, the City contributed \$1,562,723.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

Contribution (Continued)

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund retirement health benefits. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost, Level % of pay
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.50%
Salary Increases	Aggregate - 3.00% annually Merit - CalPERS 2021 Experience Study
Contribution Policy	Contributes full ADC
Discount Rate	6.30%
Mortality, Retirement, Disability, Termination	CalPERS 2021 Experience Study
Mortality Improvement	MacLeod Watts Scale 2022
Medical Trend	6.00% for 2026 decreasing to 3.90% in 2075

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period June 30, 2023 through June 30, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	49.00%	4.70%
Fixed Income	23.00%	2.60%
Treasury Inflation Protected Securities	5.00%	1.40%
Commodities	3.00%	2.00%
Glocal Real Estate (REITs)	20.00%	4.00%
	100.00%	
Long-term assumed rate of inflation		2.500%
Long-term expected rate of return		6.550%

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (Continued)

C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Change in Assumptions

The City's discount rate used to measure the total OPEB liability increased from 6.10 percent to 6.30 percent for the measurement period ended June 30, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.30 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023 (Valuation Date)	\$ 20,480,895	\$ 9,591,280	\$ 10,889,615
Changes Recognized for the Measurement Period:			
Service Cost	539,452	-	539,452
Interest on the total OPEB liability	1,249,277	-	1,249,277
Difference between expected and actual experience	438,959	-	438,959
Changes in assumptions	(463,862)	-	(463,862)
Contribution from the employer	-	1,237,000	(1,237,000)
Net investment income	-	1,057,611	(1,057,611)
Administrative expenses	-	(3,150)	3,150
Benefit payments	(1,080,787)	(1,080,787)	-
Net changes during July 1, 2023 to June 30, 2024	<u>683,039</u>	<u>1,210,674</u>	<u>(527,635)</u>
Balance at June 30, 2024 (Measurement Date)	<u><u>\$ 21,163,934</u></u>	<u><u>\$ 10,801,954</u></u>	<u><u>\$ 10,361,980</u></u>

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$986,660. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 1,562,723	\$ -
Differences between expected and actual experience	3,246,372	(208,189)
Changes in assumptions	-	(1,406,510)
Net difference between projected and actual earnings of OPEB Plan investments	<u>24,804</u>	<u>-</u>
	<u><u>\$ 4,833,899</u></u>	<u><u>\$ (1,614,699)</u></u>

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (Continued)

C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 6.69 years, which was determined as of June 30, 2024, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

For the OPEB Plan, \$1,562,723 was reported as deferred outflows of resources related to OPEB resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ending June 30	Amount
2026	\$ 225,818
2027	574,440
2028	279,476
2029	305,264
2030	274,044
Thereafter	<u>(2,565)</u>
Total	<u><u>\$ 1,656,477</u></u>

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

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024:

Plan's Net OPEB Liability		
Discount Rate -1% (5.30%)	Current Discount Rate (6.30%)	Discount Rate +1% (7.30%)
\$ 12,858,265	\$ 10,361,980	\$ 8,275,317

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2024:

Plan's Net OPEB Liability		
Current Healthcare		
1% Decrease (5.00% - 2.90%)	Trend Rate (6.00% - 3.90%)	1% Increase (7.00% to 4.90%)
\$ 8,049,391	\$ 10,361,980	\$ 13,196,957

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Risk Management

A. Coverage

The City retains a level of risk for both general liability and workers' compensation. The City carries commercial insurance above this limit. The City maintains occurrence basis insurance coverage up to \$25 million in excess of its \$1,000,000 risk retention per occurrence plus \$1,000,000 individual member corridor deductible for general liability, and \$25 million in excess of its \$1,000,000 risk retention for workers' compensation. The City has not had claims settlements exceeding insurance coverage for each of the past three fiscal years.

B. Claims Activity

The City's claims activity is recorded in its internal service funds. Estimated liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims that have been incurred but not reported (IBNRs) are also included in the liability estimates.

A summary of the changes in claims liabilities for the past three fiscal years follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year			Balance at Fiscal Year End	Due Within One Year	Due in More than One Year
		Claims and Changes in Estimates	Claim Payments				
<u>Workers' Compensation</u>							
2025	\$ 13,858,000	\$ 598,358	\$ (1,266,358)	\$ 13,190,000	\$ 2,504,000	\$ 10,686,000	
2024	12,100,000	3,001,198	(1,243,198)	13,858,000	2,743,000	11,115,000	
2023	12,197,000	1,209,675	(1,306,675)	12,100,000	2,396,000	9,704,000	
<u>Dental</u>							
2025	\$ -	\$ 778,223	\$ (778,223)	\$ -	\$ -	\$ -	
2024	-	775,609	(775,609)	-	-	-	
2023	-	786,503	(786,503)	-	-	-	
<u>General Liability</u>							
2025	\$ 4,040,000	\$ 1,437,721	\$ (132,721)	\$ 5,345,000	\$ 1,494,000	\$ 3,851,000	
2024	14,610,000	(9,452,000)	(1,118,000)	4,040,000	1,301,000	2,739,000	
2023	1,872,000	12,879,689	(141,689)	14,610,000	7,074,000	7,536,000	
<u>Total</u>							
2025	\$ 17,898,000	\$ 2,814,302	\$ (2,177,302)	\$ 18,535,000	\$ 3,998,000	\$ 14,537,000	
2024	26,710,000	(5,675,193)	(3,136,807)	17,898,000	4,044,000	13,854,000	
2023	14,069,000	14,875,867	(2,234,867)	26,710,000	9,470,000	17,240,000	

Note 14 – Joint Ventures

City of San Mateo and Estero Municipal Improvement District

The City and the Estero Municipal Improvement District (Estero), entered into a "Joint Exercise of Powers Agreement" in 1974 to construct, maintain, and operate a joint use wastewater treatment plant facility (Facility). The City and Estero jointly use and own the Facility. During the original construction phase, the City served as the lead agency. Currently, the day-to-day operations and maintenance of the treatment plant are managed by the City. Both parties continue to make capital contributions and pay for operational and maintenance costs. During the fiscal year ended June 30, 2025, the City paid \$29,933,797 for operations and maintenance of the wastewater treatment plant facility.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 14 – Joint Ventures (Continued)

City of San Mateo and Estero Municipal Improvement District (Continued)

In June of 2019, the City of San Mateo and the Estero Municipal Improvement District/City of Foster City jointly issued the 2019 Series Wastewater Revenue Bonds in the amount of \$270,000,000 (2019 Wastewater Bonds) through a joint powers financing authority, San Mateo-Foster City Public Financing Authority (Authority). Of the total issuance amount, the City is responsible for \$236,180,000. Interest payments are payable semi-annually on February 1 and August 1, commencing February 1, 2020. The bonds mature through August 1, 2049, and bear interest at the rate of 4.5%. The issuance resulted in a bond premium of \$53,780,407, of which the City's share was \$47,201,120.

In July of 2021, the City of San Mateo and the Estero Municipal Improvement District/City of Foster City jointly issued the 2021 Series A and B Wastewater Revenue Notes and 2021 Series A Wastewater Revenue Refunding Bonds in the amount of \$348,590,000 through a joint powers financing authority, San Mateo-Foster City Public Financing Authority (Authority). Of the total issuance amount, the City is responsible for \$285,830,000. Interest payments are payable semi-annually on February 1 and August 1, commencing August 1, 2022. The bonds mature through August 1, 2041, and bear interest at the rate of 4.15-5.25%. The issuance resulted in a bond premium of \$65,920,038, of which the City's share was \$54,211,533.

In February of 2024, the Authority received the WIFIA loan proceeds and used part of the loan proceeds to defease the 2021 Wastewater Revenue Notes, Series A and B.

Interest payments and revenue bond retirements are serviced by the revenues generated by the City of San Mateo Sewer Enterprise Fund and the Foster City/Estero Municipal Improvement District Wastewater Enterprise Fund pursuant to a reimbursement agreement. The City's total principal and interest remaining to be paid on the bonds is \$786,168,206.

City of San Mateo, City of Belmont/Belmont Fire Protection District, and City of Foster City/Estero Municipal Improvement District

On November 22, 2017, the City of San Mateo, the City of Belmont/Belmont Fire Protection District, and the City of Foster City/Estero Municipal Improvement District formed a Joint Powers Authority (JPA) named the San Mateo Consolidated Fire Department (SMC Fire) to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities serving a population of over 164,000. Effective January 13, 2019, San Mateo's financial contributions to SMC Fire is accounted for annually as an investment in equity interest in its government-wide financial statements.

SMC Fire is governed under the terms of the JPA Agreement by a Board of Directors consisting of one voting representative and one alternate who are elected members from the governing boards of the three JPA Member Agencies. Each member agency has the following weighted vote: City of San Mateo (60%), City of Belmont (20%), and City of Foster City (20%), with a minimum weighted vote of 80% needed for any action to be taken.

As of June 30, 2025, the City has an investment in JPA equity of \$10,177,664. Every year the City adjusts the investment based on the City's proportion of financial activity at SMC Fire (60%). Audited financial statements of SMC Fire are available from City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 14 – Joint Ventures (Continued)

City of San Mateo, City of Belmont/Belmont Fire Protection District, and City of Foster City/Esterio Municipal Improvement District (Continued)

The condensed audited financial information of the JPA as of June 30, 2025 is as follows:

Total assets and deferred outflows	\$ 39,905,565
Total liabilities and deferred inflows	<u>\$ 22,942,791</u>
Total net position	<u>\$ 16,962,774</u>
Expenses	<u>\$ 57,409,177</u>
Program revenues	<u>\$ 54,682,114</u>
General revenues	<u>\$ 1,199,825</u>
Change in net position	<u><u>\$ (1,527,238)</u></u>

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

The City's governmental activities had an unrestricted net position (deficit) of \$(65,191,059) as of June 30, 2025. This is mainly due to reporting of net pension liability of \$(255,682,682) as required under GASB Statement No. 68 (Note 11) and reporting of net OPEB liability of \$(9,067,185) as required under GASB Statement No. 75 (Note 12).

At June 30, 2025, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
Traffic Impact Fee Special Revenue Fund	Governmental Fund	\$ 1,753,501
Comprehensive Liability Insurance Fund	Internal Service Fund	2,638,507
Fleet and Building Maintenance Fund	Internal Service Fund	53,259
Successor Agency to RDA Merged Area Fund	Fiduciary Fund	33,147,002

The Traffic Impact Fee Special Revenue Fund deficit is expected to be eliminated by future revenues. The Internal Service Funds deficit is expected to be eliminated by future charges for services. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Funds deficit which will be eliminated by future revenues.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 15 – Other Required Disclosures (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following funds by function:

Fund	Function	Excess Expenditures over Appropriations
General Fund	Non-departmental	\$ 540,270
General Fund	Debt service: Interest and fiscal charges	15,646
HOME Special Revenue Fund	Community development	17,547
Solid Waste Special Revenue Fund	General government: City Manager	795
Solid Waste Special Revenue Fund	Public works	116,466
Solid Waste Special Revenue Fund	Debt service: Principal	23,773
Solid Waste Special Revenue Fund	Debt service: Interest and fiscal charges	200
Construction Services Fund	General government: City Attorney	60,030
Construction Services Fund	Public works	116,446
Landfill Bonds Debt Service Fund	Public works	27,155
General Obligation Bonds Debt Service Fund	Non-departmental	1,285
General Obligation Bonds Debt Service Fund	Debt service: Interest and fiscal charges	749,400
2% Hotel Tax Capital Projects Fund	Non-departmental	569

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2025:

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable				
Prepaid items and inventories	\$ 284,638	\$ -	\$ 3,502	\$ 288,140
Total nonspendable	284,638	-	3,502	288,140
Restricted				
Advance planning	-	-	6,510,440	6,510,440
Construction services	-	-	23,695,672	23,695,672
Debt service	575,000	-	7,847,573	8,422,573
Housing	-	899,999	11,296,240	12,196,239
Infrastructure maintenance	-	9,779,949	-	9,779,949
Landfill post-closure maintenance	-	-	4,496,945	4,496,945
Capital projects	-	6,739,375	18,708,426	25,447,801
Public safety	-	-	626,480	626,480
Public streets and related facilities	-	15,371,392	12,770,541	28,141,933
Solid waste and landfill	-	-	18,989,116	18,989,116
Total restricted	575,000	32,790,715	104,941,433	138,307,148
Assigned				
Capital projects	10,494,686	21,908,617	-	32,403,303
Facilities Maintenance	547,245	-	-	547,245
General Government	705,593	-	-	705,593
Total assigned	11,747,524	21,908,617	-	33,656,141
Unassigned (deficit)	106,931,699	-	(1,753,501)	105,178,198
Total fund balances	\$ 119,538,861	\$ 54,699,332	\$ 103,191,434	\$ 277,429,627

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2025, consisted of the following:

	Governmental Activities	Business-Type Activities	
	Sewer Fund	Storm Fund	
Net investment in capital assets:			
Capital assets, nondepreciable	\$ 97,057,767	\$ 224,599,716	\$ 64,265
Capital assets, depreciable/amortizable, net	403,015,043	614,315,974	70,472
Unspent bond proceeds - Restricted cash and investments	3,008,208	30,534,830	-
Deferred loss/(gain) on refunding	576,942	(15,624,392)	-
Capital-related liabilities:			
Retention payable	(5,123,396)	-	-
General Obligation Refunding Bonds, Series 2013	(12,168,641)	-	-
Lease Revenue Bonds, Series 2007A	(12,080,000)	-	-
Revenue Refunding Bonds, Series 2018A	(3,322,268)	-	-
Advance payable	(46,685,463)	-	-
CEC Streetlight Loan	(1,277,099)	-	-
PG&E - Energy Efficiency Retrofit Loans	(1,812,608)	-	-
Lease liability	(11,067,585)	-	-
Subscription liability	(2,715,563)	(99,102)	(49,551)
Sewer Revenue Bonds, Series 2014	-	(25,818,062)	-
Wastewater Revenue Bonds, Series 2019	-	(273,537,851)	-
Wastewater Revenue Refunding Bonds, Series 2021A	-	(15,381,414)	-
Water Infrastructure Finance and Innovation Act (WIFIA) Loan	-	(295,479,360)	-
Clean Water State Revolving Fund Loans (SRF) Loan - San Mateo	-	(79,404,594)	-
Total net investment in capital assets	\$ 407,405,337	\$ 243,510,339	\$ 85,186

Note 18 – Successor Agency Private Purpose Trust For Assets of Former Redevelopment

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of San Mateo that previously had reported the City’s Redevelopment Agency within the reporting entity as a blended component unit. The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former Redevelopment agency in accordance with the Bill as part of City Resolution No. 2 (2012).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California were prohibited from entering into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets could only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In accordance with the Bill, the State Controller’s Office (SCO) of the State of California reviewed the propriety of any transfers of assets between the San Mateo Redevelopment Agency (RDA) and the City that occurred after January 1, 2011. On October 23, 2013, the SCO issued a report stating that there were no identified unallowable transfers of assets that occurred during the review period between the RDA, the City, and/or any other public agencies.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 18 – Successor Agency Private Purpose Trust For Assets of Former Redevelopment (Continued)

In April 2013, the California Department of Finance (DOF) issued a Finding of Completion to the Successor Agency which allowed proceeds (\$3.3 million) from the Merged Area Tax Allocation Bonds, Series 2005A and Series 2007A, to be used to reimburse the City of San Mateo for construction costs of Fire Station 24 in accordance with the Cooperation Agreement between the City and the Successor Agency. Construction of Fire Station 24 was a use of the bond proceeds that is consistent with the stated purposes of the original bond covenants, and these bonds proceeds were utilized in this manner during fiscal year 2013-14. Once a Finding of Completion is issued by the DOF, State law (AB 1484) requires that successor agencies prepare a Long- Range Property Management Plan (LRPMP) for the disposition and use of the remaining assets of the former San Mateo Redevelopment Agency. The Successor Agency submitted the required LRPMP, as amended and approved by the Oversight Board, to the DOF on October 17, 2013. The LRPMP addressed the disposition of five properties that were under title with the Successor Agency. The Successor Agency received a formal response from the DOF on April 28, 2014, rejecting the LRPMP as submitted. The letter outlined that public parking was not considered a governmental use by the State and as a result, the City needed to examine other available disposition options for several other remaining properties. As required, the Successor Agency submitted to the DOF on October 1, 2014, a revised LRPMP that was approved by the Oversight Board. In February 2015, the revised LRPMP was approved by the DOF after the Oversight Board approval. The actual land titles transferred to the City from the Successor Agency for the former San Mateo Redevelopment Agency in July 2015. The outstanding enforceable obligations currently only include amounts owed to holders of the Successor Agency of Redevelopment Agency Tax Allocation Refunding Bonds Series 2015A, Successor Agency of Redevelopment Agency Tax Allocation Refunding Bonds Series 2015B, and the Successor Agency of Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A.

Late in the 2016-17 fiscal year, the Successor Agency began the due diligence process to refund the 2007 Tax Allocation Bonds, which were eligible to be refunded as of August 1, 2017. The Agency approved the refunding and an amendment to the Last and Final ROPS on June 5, 2017, and the Oversight Board made the same approvals on June 7, 2017. The resolutions of approval were submitted to the Department of Finance in June 2018, with approval for the Oversight Board Resolutions coming on August 21, 2017. The Department of Finance approved the amendment to the Last and Final ROPS, and its confirmation that this entire transaction would be considered the first of two allowed amendments to the Last and Final ROPS in a letter dated December 13, 2017.

Note 19 – Adjustments and Restatements of Beginning Balances

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the following table:

	June 30, 2024, As Previously Reported	Restatement - GASB 101 implementation	June 30, 2024, As Restated
Government-wide			
Governmental activities	\$ 470,205,224	\$ (4,711,788)	\$ 465,493,436
Business-type activities	390,557,355	(314,090)	390,243,265
Total government-wide	\$ 860,762,579	\$ (5,025,878)	\$ 855,736,701
Proprietary funds			
Enterprise funds			
Major funds:			
Sewer Fund	\$ 390,557,355	\$ (314,090)	\$ 390,243,265
Total enterprise funds	\$ 390,557,355	\$ (314,090)	\$ 390,243,265

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 20 – Commitments and Contingencies

A. *Litigation*

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management's opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

B. *Contingent Liabilities*

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of San Mateo Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City's reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2025, the City has not recorded revenues from the Hospital.

C. *Federal and State Grants*

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended, and various other state grant compliance requirements. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

D. *Contractual Commitments*

The City has capital contractual commitments for which funds have been encumbered as of June 30, 2025. Encumbrances related to capital projects are funded through the current year appropriated budget, which carries over to the following year.

The following is a list of the commitments at June 30, 2025:

	Remaining Commitment
Clean Water Program	\$ 12,908,978
Sanitary Sewer Rehabilitation and Improvement Project	42,821,918
Streetscape Improvements	9,506,604
Miscellaneous Projects	13,555,034
Total	\$ 78,792,534

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of San Mateo
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2025

Budgetary Control and Budgetary Accounting

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all governmental fund types. The budget is prepared in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

The City has two-year business plan development procedures. The two-year business plan process requires that each department submit two one-year expenditure plans and revenue estimates to be provided to the City Council for approval. Only the first year of the two-year business plan will be adopted. The second year represents a projected plan which will be subject to amendment in the following year. As a part of the two-year business plan, the focus in year one is on the operating budget, while the focus on year two is the City's CIP.

In any budget cycle, to remain adaptable to changing economic and or operational conditions, the City may choose to develop a one-year plan instead of a two-year business plan. As a result of the immediate and severe financial impact of COVID-19, the City shifted to a one-year plan. With pandemic-related recession experience under its belt, the City shifted back to the two-year business plan for 2024-26.

The City controls its budget at the fund and department level. The City Council is the sole budget authority. Activities of the General Fund, Special Revenues Funds, Debt Service Funds, Proprietary Funds, and Capital Project Funds are included in the annual budget.

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 84,000,000	\$ 84,000,000	\$ 83,534,637	\$ (465,363)
Sales taxes	30,120,000	27,920,000	27,118,537	(801,463)
Other taxes	23,150,000	28,650,000	32,625,541	3,975,541
Licenses, building and other permits	80,000	80,000	99,371	19,371
Fines, forfeitures and penalties	1,939,000	1,939,000	2,199,413	260,413
Intergovernmental	3,368,551	3,563,551	4,800,016	1,236,465
Charges for Services	13,813,843	13,613,843	15,191,614	1,577,771
Investment income	4,200,000	5,200,000	6,601,231	1,401,231
Parking Meter and Lease Revenue	3,540,000	3,540,000	3,236,263	(303,737)
Other revenues	3,961,094	3,961,094	3,687,453	(273,641)
Total revenues	168,172,488	172,467,488	179,094,076	6,626,588
EXPENDITURES:				
Current:				
General government:				
City Council	456,520	456,520	376,910	79,610
City Manager	2,845,299	2,852,799	2,596,915	255,884
City Clerk	1,150,862	1,290,362	1,145,043	145,319
City Attorney	1,332,870	1,337,870	1,157,108	180,762
Finance	4,354,554	4,380,774	4,290,342	90,432
Information technology	5,050,497	4,523,975	4,356,356	167,619
Human Resources	2,591,334	2,610,898	2,334,340	276,558
Community development	2,271,225	2,743,076	2,478,828	264,248
Public safety:				
Police	63,296,916	62,819,917	62,095,869	724,048
Fire	28,747,664	28,747,664	28,747,664	-
Public works	11,718,422	12,062,423	10,892,157	1,170,266
Parks and recreation	22,425,443	22,851,145	22,133,257	717,888
Library	9,761,164	9,776,164	9,258,253	517,911
Non-departmental	11,316,372	11,316,372	11,856,642	(540,270)
Capital outlay	202,665	10,092,385	9,956,613	135,772
Debt service:				
Principal	1,149,088	2,612,396	2,612,396	-
Interest and fiscal charges	133,733	255,471	271,117	(15,646)
Total expenditures	168,804,628	180,730,211	176,559,810	4,170,401
REVENUES OVER (UNDER) EXPENDITURES	(632,140)	(8,262,723)	2,534,266	10,796,989

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund (Continued)
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	5,901	5,901
Inception of lease liability	-	9,097,993	9,097,993	-
Inception of subscription liability	-	696,727	696,727	-
Transfers in	2,257,500	2,535,500	2,535,500	-
Transfers out	(11,550,000)	(13,980,000)	(13,288,867)	691,133
Total other financing sources (uses)	(9,292,500)	(1,649,780)	(952,746)	697,034
NET CHANGES IN FUND BALANCE	\$ (9,924,640)	\$ (9,912,503)	1,581,520	\$ 11,494,023
FUND BALANCE:				
Beginning of year			117,957,341	
End of year			\$ 119,538,861	

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Miscellaneous Plan					
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20
Service cost	\$ 6,168,273	\$ 5,920,696	\$ 5,860,301	\$ 5,417,134	\$ 5,314,317
Interest on total pension liability	22,611,449	21,858,537	20,961,702	20,553,253	19,910,417
Differences between expected and actual experience	1,704,397	3,251,428	(1,978,041)	(812,628)	2,219,628
Changes in assumptions	-	-	8,484,848	-	-
Changes in benefit terms	-	425,881	-	-	-
Benefit payments, including refunds of employee contributions	(19,160,708)	(18,230,555)	(16,833,252)	(15,894,895)	(15,050,756)
Net change in total pension liability	11,323,411	13,225,987	16,495,558	9,262,864	12,393,606
Total pension liability - beginning	332,493,990	319,268,003	302,772,445	293,509,581	281,115,975
Total pension liability - ending (a)	\$ 343,817,401	\$ 332,493,990	\$ 319,268,003	\$ 302,772,445	\$ 293,509,581
Plan fiduciary net position					
Contributions - employer	10,792,551	10,683,495	9,953,731	8,968,085	8,308,013
Contributions - employee	2,678,257	2,571,915	2,557,263	2,454,476	2,412,286
Investment income (net of administrative expenses)	22,636,718	14,067,212	(18,866,744)	47,026,715	10,192,254
Benefit payments	(19,160,708)	(18,230,555)	(16,833,252)	(15,894,895)	(15,050,756)
Other	(192,597)	(167,490)	(156,429)	(208,546)	(286,451)
Net change in plan fiduciary net position	16,754,221	8,924,577	(23,345,431)	42,345,835	5,575,346
Plan fiduciary net position - beginning	236,692,324	227,767,747	251,113,178	208,767,343	203,191,997
Plan fiduciary net position - ending (b)	253,446,545	236,692,324	227,767,747	251,113,178	208,767,343
Net pension liability - ending (a)-(b)	\$ 90,370,856	\$ 91,500,256	\$ 91,500,256	\$ 51,659,267	\$ 84,742,238
Plan fiduciary net position as a percentage of the total pension liability	73.72%	71.19%	71.34%	82.94%	71.13%
Covered payroll	\$ 40,268,344	\$ 38,292,673	\$ 36,700,692	\$ 36,154,902	\$ 35,484,738
Net pension liability as a percentage of covered payroll	224.42%	238.95%	249.31%	142.88%	238.81%

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Miscellaneous Plan (Continued)					
Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15
Service cost	\$ 5,232,210	\$ 5,037,653	\$ 4,518,151	\$ 3,993,514	\$ 3,892,876
Interest on total pension liability	19,039,419	18,044,112	17,389,674	17,090,620	16,438,129
Differences between expected and actual experience	4,029,100	1,103,888	(3,106,399)	(331,929)	(627,100)
Changes in assumptions	-	(1,424,920)	13,781,463	-	(3,817,336)
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,650,253)	(12,925,302)	(12,461,817)	(11,970,354)	(11,069,836)
Net change in total pension liability	14,650,476	9,835,431	20,121,072	8,781,851	4,816,733
Total pension liability - beginning	266,465,499	256,630,068	236,508,996	227,727,145	222,910,412
Total pension liability - ending (a)	\$ 281,115,975	\$ 266,465,499	\$ 256,630,068	\$ 236,508,996	\$ 227,727,145
Plan fiduciary net position					
Contributions - employer	7,343,013	6,287,676	5,873,612	5,126,750	4,501,438
Contributions - employee	2,463,688	2,208,675	2,041,614	1,928,776	1,950,191
Investment income (net of administrative expenses)	12,797,943	15,561,240	18,815,053	868,395	3,955,299
Benefit payments	(13,650,253)	(12,925,302)	(12,461,817)	(11,970,354)	(11,069,836)
Other	(138,259)	(832,007)	(251,079)	(106,172)	(198,614)
Net change in plan fiduciary net position	8,816,132	10,300,282	14,017,383	(4,152,605)	(861,522)
Plan fiduciary net position - beginning	194,375,865	184,075,583	170,058,200	174,210,805	175,072,327
Plan fiduciary net position - ending (b)	\$ 203,191,997	\$ 194,375,865	\$ 184,075,583	\$ 170,058,200	\$ 174,210,805
Net pension liability - ending (a)-(b)	\$ 77,923,978	\$ 72,089,634	\$ 72,554,485	\$ 66,450,796	\$ 53,516,340
Plan fiduciary net position as a percentage of the total pension liability	72.28%	72.95%	71.73%	71.90%	76.50%
Covered payroll	\$ 35,068,361	\$ 34,688,256	\$ 31,556,856	\$ 28,252,538	\$ 26,888,005
Net pension liability as a percentage of covered payroll	222.21%	207.82%	229.92%	235.20%	199.03%

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Safety Plan					
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20
Service cost	\$ 5,287,654	\$ 5,234,236	\$ 4,815,965	\$ 4,521,737	\$ 4,385,424
Interest on total pension liability	32,936,050	32,047,044	31,147,674	30,250,946	29,312,094
Differences between expected and actual experience	2,246,725	2,427,801	2,215,829	2,818,839	3,435,208
Changes in assumptions	-	-	15,714,311	-	-
Changes in benefit terms	-	206,341	-	-	-
Benefit payments, including refunds of employee contributions	(26,954,756)	(26,386,401)	(25,158,731)	(23,890,302)	(23,017,166)
Net change in total pension liability	13,515,673	13,529,021	28,735,048	13,701,220	14,115,560
Total pension liability - beginning	485,920,883	472,391,862	443,656,814	429,955,594	415,840,034
Total pension liability - ending (a)	\$499,436,556	\$485,920,883	\$472,391,862	\$443,656,814	\$429,955,594
Plan fiduciary net position					
Contributions - employer	17,313,207	16,292,527	14,717,993	13,566,455	12,284,260
Contributions - employee	2,162,214	1,761,725	1,709,770	1,789,979	1,576,589
Investment income (net of administrative expenses)	28,217,011	17,641,331	(24,080,446)	60,169,718	13,065,390
Benefit payments	(26,954,756)	(26,386,401)	(25,158,731)	(23,890,302)	(23,017,166)
Other	(239,420)	(209,675)	(198,185)	(266,493)	(371,100)
Net change in plan fiduciary net position	20,498,256	9,099,507	(33,009,599)	51,369,357	3,537,973
Plan fiduciary net position - beginning	294,234,877	285,135,370	318,144,969	266,775,612	263,237,639
Plan fiduciary net position - ending (b)	\$314,733,133	\$294,234,877	\$285,135,370	\$318,144,969	\$266,775,612
Net pension liability - ending (a)-(b)	\$184,703,423	\$191,686,006	\$187,256,492	\$125,511,845	\$163,179,982
Plan fiduciary net position as a percentage of the total pension liability	63.02%	60.55%	60.36%	71.71%	62.05%
Covered payroll	\$ 19,524,472	\$ 17,595,173	\$ 17,257,920	\$ 16,442,390	\$ 16,067,107
Net pension liability as a percentage of covered payroll	946.01%	1089.42%	1085.05%	763.34%	1015.62%

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Safety Plan (Continued)					
Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15
Service cost	\$ 4,449,133	\$ 7,417,456	\$ 7,342,172	\$ 6,024,059	\$ 5,876,118
Interest on total pension liability	28,324,725	27,109,372	25,954,748	25,211,819	24,350,391
Differences between expected and actual experience	4,999,458	4,313,272	(652,769)	(1,229,918)	(4,513,903)
Changes in assumptions	-	(1,764,356)	20,868,220	-	(5,706,829)
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(21,718,515)	(20,369,839)	(19,099,929)	(18,246,437)	(17,373,723)
Net change in total pension liability	16,054,801	16,705,905	34,412,442	11,759,523	2,632,054
Total pension liability - beginning	399,785,233	383,079,328	348,666,886	336,907,363	334,275,309
Total pension liability - ending (a)	\$415,840,034	\$399,785,233	\$383,079,328	\$348,666,886	\$336,907,363
Plan fiduciary net position					
Contributions - employer	14,131,640	13,411,260	13,038,623	10,598,960	9,719,832
Contributions - employee	2,260,834	2,509,623	2,358,978	2,232,023	2,180,686
Investment income (net of administrative expenses)	16,597,022	20,229,991	24,165,223	1,116,133	4,925,152
Benefit payments	(21,718,515)	(20,369,839)	(19,099,929)	(18,246,437)	(17,373,723)
Other	(179,352)	(1,073,204)	(320,823)	(135,133)	(249,571)
Net change in plan fiduciary net position	11,091,629	14,707,831	20,142,072	(4,434,454)	(797,624)
Plan fiduciary net position - beginning	252,146,010	237,438,179	217,296,107	221,730,561	222,528,185
Plan fiduciary net position - ending (b)	\$263,237,639	\$252,146,010	\$237,438,179	\$217,296,107	\$221,730,561
Net pension liability - ending (a)-(b)	\$152,602,395	\$147,639,223	\$145,641,149	\$131,370,779	\$115,176,802
Plan fiduciary net position as a percentage of the total pension liability	63.30%	63.07%	61.98%	62.32%	65.81%
Covered payroll	\$ 22,211,287	\$ 28,442,831	\$ 27,088,471	\$ 24,092,535	\$ 22,899,741
Net pension liability as a percentage of covered payroll	687.05%	519.07%	537.65%	545.28%	502.96%

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pension
For the Year Ended June 30, 2025

Miscellaneous Plan

Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 12,161,019	\$ 10,792,135	\$ 10,683,495	\$ 9,953,731	\$ 8,968,085
Contributions in relation to the actuarially determined contributions	(12,161,019)	(10,792,135)	(10,683,495)	(9,953,731)	(8,968,085)
Contribution deficiency (excess)	\$ -				
Covered payroll	\$ 43,802,728	\$ 40,268,344	\$ 38,292,673	\$ 36,700,692	\$ 36,154,902
Contributions as a percentage of covered payroll	27.76%	26.80%	27.90%	27.12%	24.80%
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 8,308,301	\$ 7,343,001	\$ 6,287,697	\$ 5,873,612	\$ 5,331,714
Contributions in relation to the actuarially determined contributions	(8,308,301)	(7,343,001)	(6,287,697)	(5,873,612)	(5,331,714)
Contribution deficiency (excess)	\$ -				
Covered payroll	\$ 35,484,738	\$ 35,068,361	\$ 34,688,256	\$ 31,556,856	\$ 28,252,538
Contributions as a percentage of covered payroll	23.41%	20.94%	18.13%	18.61%	18.87%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.8% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2025

	Safety Plan				
Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 18,837,252	\$ 17,313,205	\$ 16,292,527	\$ 14,717,993	\$ 13,566,455
Contributions in relation to the actuarially determined contributions	(18,837,252)	(17,313,205)	(16,292,527)	(14,717,993)	(13,566,455)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered payroll	 \$ 20,622,063	 \$ 19,524,472	 \$ 17,595,173	 \$ 17,257,920	 \$ 16,442,390
Contributions as a percentage of covered payroll	91.35%	88.67%	92.60%	85.28%	82.51%
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 12,284,260	\$ 12,496,190	\$ 12,011,260	\$ 11,663,623	\$ 10,576,566
Contributions in relation to the actuarially determined contributions	(12,284,260)	(14,121,190)	(13,411,260)	(13,038,623)	(10,576,566)
Contribution deficiency (excess)	\$ -	\$ (1,625,000)	\$ (1,400,000)	\$ (1,375,000)	\$ -
 Covered payroll	 \$ 16,067,107	 \$ 22,211,287	 \$ 28,442,831	 \$ 27,088,471	 \$ 24,092,535
Contributions as a percentage of covered payroll	76.46%	63.58%	47.15%	48.13%	43.90%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

For the Measurement Period:	2025	2024	2023	2022	2021	2020	2019	2018
	<u>2023-2024</u>	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017¹</u>
Total OPEB Liability:								
Service Cost	\$ 539,452	\$ 563,606	\$ 548,522	\$ 497,327	\$ 482,842	\$ 692,000	\$ 672,000	\$ 653,000
Interest on the total OPEB liability	1,249,277	1,079,059	1,048,022	1,144,590	1,113,841	1,338,000	1,286,000	1,240,000
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	438,959	4,098,199	-	(670,829)	-	(3,453,000)	-	-
Changes in assumptions	(463,862)	(1,405,066)	-	(86,901)	-	(509,000)	-	-
Benefit payments	(1,080,787)	(1,112,477)	(1,117,596)	(1,130,244)	(1,181,000)	(1,174,000)	(1,269,000)	(1,178,000)
Net changes in Total OPEB Liability	683,039	3,223,321	478,948	(246,057)	415,683	(3,106,000)	689,000	715,000
Beginning of Year	20,480,895	17,257,574	16,778,626	17,024,683	16,609,000	19,715,000	19,026,000	18,311,000
End of Year	\$ 21,163,934	\$ 20,480,895	\$ 17,257,574	\$ 16,778,626	\$ 17,024,683	\$ 16,609,000	\$ 19,715,000	\$ 19,026,000
Plan Fiduciary Net Position:								
Employer contribution	\$ 1,237,000	\$ 1,193,000	\$ 2,056,602	\$ 1,817,000	\$ 1,825,000	\$ 1,950,000	\$ 1,913,000	\$ 1,852,000
Employee contributions	-	-	-	-	-	-	-	-
Net investment income	1,057,611	683,260	(1,364,786)	2,140,859	239,112	495,000	372,000	334,000
Administrative expenses	(3,150)	(2,754)	(9,587)	(9,723)	(11,386)	(7,000)	(7,000)	(2,000)
Benefit payments	(1,080,787)	(1,112,477)	(1,117,596)	(1,130,244)	(1,181,000)	(1,174,000)	(1,269,000)	(1,178,000)
Net changes in Fiduciary Net Position	1,210,674	761,029	(435,367)	2,817,892	871,726	1,264,000	1,009,000	1,006,000
Beginning of Year	9,591,280	8,830,251	9,265,618	6,447,726	5,576,000	4,312,000	3,303,000	2,297,000
End of Year	\$ 10,801,954	\$ 9,591,280	\$ 8,830,251	\$ 9,265,618	\$ 6,447,726	\$ 5,576,000	\$ 4,312,000	\$ 3,303,000
Net OPEB Liability	\$ 10,361,980	\$ 10,889,615	\$ 8,427,323	\$ 7,513,008	\$ 10,576,957	\$ 11,033,000	\$ 15,403,000	\$ 15,723,000
Fiduciary Net Position as a percentage of Total OPEB Liability	51.04%	46.83%	51.17%	55.22%	37.87%	33.57%	21.87%	17.36%
Covered Payroll	\$ 64,907,000	\$ 60,964,235	\$ 59,443,000	\$ 57,176,000	\$ 55,405,000	\$ 62,798,000	\$ 66,133,000	\$ 57,300,000
Net OPEB Liability as a % of Payroll	15.96%	17.86%	14.18%	13.14%	19.09%	17.57%	23.29%	27.44%

¹ Historical information is presented only from the implementation year.

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - OPEB
For the Year Ended June 30, 2025

	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially determined contribution	\$ 1,561,537	\$ 1,562,723	\$ 1,193,000	\$ 1,319,000	\$ 1,281,000
Contributions in relation to the actuarially determined contributions	(1,562,723)	(1,562,723)	(1,193,000)	(2,056,602)	(1,817,000)
Contribution deficiency (excess)	\$ (1,186)	\$ -	\$ -	\$ (737,602)	\$ (536,000)
Covered-employee payroll	\$ 70,674,141	\$ 64,907,000	\$ 60,964,235	\$ 59,443,000	\$ 57,176,000
Contributions as a percentage of covered-employee payroll	2.21%	2.41%	1.94%	3.46%	3.18%
	2019-20	2018-19	2017-18¹		
Actuarially determined contribution	\$ 1,817,000	\$ 1,764,000	\$ 1,913,000		
Contributions in relation to the actuarially determined contributions	(1,825,000)	(1,950,000)	(1,913,000)		
Contribution deficiency (excess)	\$ (8,000)	\$ (186,000)	\$ -		
Covered-employee payroll	\$ 55,405,000	\$ 62,798,000	\$ 66,133,000		
Contributions as a percentage of covered-employee payroll	3.29%	3.11%	2.89%		

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2024 were as follows:

Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method, Level % of pay
Amortization Period	14-year fixed period for 2023-2024
Asset valuation method	Actuarial value of assets. Investment gains and losses spread over 5-year rolling period.
Inflation	2.50%
Investment rate of return	6.10%
Healthcare cost trend rate	6.50% for 2025, decreasing to an ultimate rate of 3.90% in 2075
Projected salary growth and increase	Varies by Entry Age and Service
Mortality	CalPERS 2021 Experience Study Report
Mortality Improvement	Mortality projected fully generational with MacLeod Watts Sale-2022

¹ Historical information is presented only from the implementation year.

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

Non-Major Governmental Funds

Special Revenue Funds:

Police Grants and Safety Fund accounts for the revenues and expenditures of State and Federal grants such as State Supplemental Law Enforcement Services Fund (SLESF).

Community Development Block Grant Fund (CDBG) accounts for revenue and expenditures of CDBG funds awarded by the Department of Housing and Urban Development.

HOME Special Revenue Fund accounts for revenue and expenditures of the Federal HOME grant program.

City Housing Special Revenue Fund accounts for revenues from a former Federal Rental Rehabilitation program and loan payments from the First-Time Homebuyer program.

Low and Moderate Income Housing Special Revenue Fund accounts for revenues and expenditures of the former Redevelopment Agency Special Revenue Fund.

Permanent Local Housing Allocation Special Revenue Fund accounts for revenues and expenditures of the Permanent Local Housing Allocation program.

Gas Tax Fund accounts for gasoline tax revenues as required by State law.

Road Maintenance and Rehabilitation Fund accounts for SB1 gasoline tax revenues as required by State law.

Advance Planning Fund accounts for fees collected through building permits and expenditures for activities relating to long term planning, including the general plan update.

Solid Waste Fund accounts for garbage collection surcharge revenues. The use of funds is restricted by City ordinance to street cleaning and waste disposal.

Parks and Recreation accounts for the Parks and Recreation Tax, as well as the Parks and Recreation Impact and In Lieu Fees to fund Parks and Recreation related projects through a transfer to the Capital Improvement Projects Fund.

Traffic Impact Fee accounts for traffic impact fee revenues to mitigate the cumulative impacts of new development and to accommodate future development.

Commercial Linkage Fee accounts for commercial linkage fee to be used for housing programs including acquisition, rehabilitation, or new construction of housing.

Construction Services Special Revenue Fund This fund accounts for revenue and expenditures of activities relating to building permits.

Landfill Bonds Fund accounts for debt service payments on landfill revenue bonds (to finance expenditures related to final closure of the former landfill site and construction of related park improvements) and post-closure monitoring costs.

Debt Service Funds:

General Obligation Bonds Fund accounts for voter-approved property tax revenues and debt service payments on general obligation bonds.

2% Hotel Tax Fund accounts for the voter-approved 2% hotel tax revenue Measure C, the related transfers to the capital improvement fund, and debt service on variable rate bonds.

City of San Mateo
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue			
	Police Grants Fund	Community Development Block Grant Fund	HOME Fund	City Housing Fund
ASSETS				
Cash and investments	\$ 345,749	\$ -	\$ 286,284	\$ 1,369,758
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	200,799	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	116,125	162,503	27,547	-
Prepaid items and supplies	-	-	-	-
Loans and notes receivable, net	-	361,083	209,783	54,684
Total assets	\$ 662,673	\$ 523,586	\$ 523,614	\$ 1,424,442
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	34,455	43,919	-	-
Accrued payroll	1,738	-	-	-
Due to other funds	-	48,871	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	36,193	92,790	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	77,026	29,660	-
Total deferred inflows of resources	-	77,026	29,660	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	626,480	353,770	493,954	1,424,442
Unassigned (deficit)	-	-	-	-
Total fund balances	626,480	353,770	493,954	1,424,442
Total liabilities, deferred inflows of resources, and fund balances	\$ 662,673	\$ 523,586	\$ 523,614	\$ 1,424,442

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	Special Revenue			
	Low & Moderate Income Housing Fund	Permanent Local Housing Allocation Fund		Gas Tax Fund
		Fund	Fund	Fund
ASSETS				
Cash and investments	\$ 2,811,247	\$ 320,854	\$ 2,635,546	\$ 9,373,061
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	253,551	508,383
Grants receivable	-	293,103	-	-
Prepaid items and supplies	-	-	-	-
Loans and notes receivable, net	2,884,560	-	-	-
Total assets	\$ 5,695,807	\$ 613,957	\$ 2,889,097	\$ 9,881,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	1,276	148,925	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	441,261	-	-
Total liabilities	1,276	590,186	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	246,162	-	-	-
Total deferred inflows of resources	246,162	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	5,448,369	23,771	2,889,097	9,881,444
Unassigned (deficit)	-	-	-	-
Total fund balances	5,448,369	23,771	2,889,097	9,881,444
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,695,807	\$ 613,957	\$ 2,889,097	\$ 9,881,444

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	Special Revenue			
	Advance Planning Fund	Solid Waste Fund	Parks and Recreation Fund	Traffic Impact Fee Fund
ASSETS				
Cash and investments	\$ 6,544,390	\$ 19,188,048	\$ 18,708,426	\$ -
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	380,991	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Prepaid items and supplies	-	-	-	-
Loans and notes receivable, net	-	-	-	-
Total assets	\$ 6,544,390	\$ 19,569,039	\$ 18,708,426	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	33,950	524,860	-	-
Accrued payroll	-	55,063	-	-
Due to other funds	-	-	-	1,753,501
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	33,950	579,923	-	1,753,501
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,510,440	18,989,116	18,708,426	-
Unassigned (deficit)	-	-	-	(1,753,501)
Total fund balances	6,510,440	18,989,116	18,708,426	(1,753,501)
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,544,390	\$ 19,569,039	\$ 18,708,426	\$ -

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	Special Revenue			Debt Service	
	Commercial Linkage Fee Fund	Construction Services Fund	Landfill Bonds Fund	General Obligation Bonds Fund	
ASSETS					
Cash and investments	\$ 3,551,934	\$ 26,041,283	\$ 4,505,943	\$ 7,483,476	
Restricted cash and investments held by fiscal agents	-	-	-	-	
Accounts receivable, net	-	876,963	-	-	
Interest receivable	-	-	-	-	
Taxes receivable	-	-	-	-	
Grants receivable	-	3,300	-	-	
Prepaid items and supplies	-	3,502	-	-	
Loans and notes receivable, net	-	-	-	-	
Total assets	\$ 3,551,934	\$ 26,925,048	\$ 4,505,943	\$ 7,483,476	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	-	136,411	8,998	-	
Accrued payroll	-	212,869	-	-	
Due to other funds	-	-	-	-	
Deposits payable	-	657,534	-	-	
Unearned revenues	-	2,219,060	-	-	
Total liabilities	-	3,225,874	8,998	-	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	
Fund Balances:					
Nonspendable	-	3,502	-	-	
Restricted	3,551,934	23,695,672	4,496,945	7,483,476	
Unassigned (deficit)	-	-	-	-	
Total fund balances	3,551,934	23,699,174	4,496,945	7,483,476	
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,551,934	\$ 26,925,048	\$ 4,505,943	\$ 7,483,476	

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	<u>Debt Service</u>	
	2% Hotel Tax Fund	Total Non-Major Governmental Funds
ASSETS		
Cash and investments	\$ 250,498	\$ 103,416,497
Restricted cash and investments held by fiscal agents	57,599	57,599
Accounts receivable, net	-	1,458,753
Interest receivable	188	188
Taxes receivable	72,298	834,232
Grants receivable	-	602,578
Prepaid items and supplies	-	3,502
Loans and notes receivable, net	-	3,510,110
Total assets	\$ 380,583	\$ 109,883,459

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES, AND
FUND BALANCES**

Liabilities:

Accounts payable	16,486	949,280
Accrued payroll	-	269,670
Due to other funds	-	1,802,372
Deposits payable	-	657,534
Unearned revenues	-	2,660,321
Total liabilities	16,486	6,339,177

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	-	352,848
Total deferred inflows of resources	-	352,848

Fund Balances:

Nonspendable	-	3,502
Restricted	364,097	104,941,433
Unassigned (deficit)	-	(1,753,501)
Total fund balances	364,097	103,191,434
Total liabilities, deferred inflows of resources, and fund balances	\$ 380,583	\$ 109,883,459

(Concluded)

City of San Mateo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue			
	Police Grants Fund	Community Development Block Grant Fund	HOME Fund	City Housing Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses, building and other permits	-	-	-	-
Fines, forfeitures and penalties	143,610	-	-	-
Intergovernmental	1,349,440	226,585	27,547	-
Charges for services	-	-	-	-
Investment income	196,355	-	-	-
Assessments and garbage collection	-	-	-	-
Capital contributions	-	-	-	-
Other revenues	-	16,169	10,638	226,683
Total revenues	1,689,405	242,754	38,185	226,683
EXPENDITURES:				
Current:				
General government:				
City Manager	-	-	-	-
City Attorney	-	-	-	-
Finance	-	-	-	-
Information technology	-	-	-	-
Community development	-	280,060	27,547	-
Public safety:				
Police	1,497,560	-	-	-
Public works	-	-	-	-
Non-departmental	-	-	-	-
Capital outlay	96,558	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,594,118	280,060	27,547	-
REVENUES OVER (UNDER) EXPENDITURES	95,287	(37,306)	10,638	226,683
OTHER FINANCING SOURCES (USES):				
Inception of subscription liability	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	95,287	(37,306)	10,638	226,683
FUND BALANCES:				
Beginning of year	531,193	391,076	483,316	1,197,759
End of year	\$ 626,480	\$ 353,770	\$ 493,954	\$ 1,424,442

(Continued)

City of San Mateo

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Non-Major Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue			
	Low & Moderate Income Housing Fund	Permanent Local Housing Allocation Fund	Gas Tax Fund	Road Maintenance and Rehabilitation Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses, building and other permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Intergovernmental	-	353,313	2,973,576	2,884,922
Charges for services	-	-	-	-
Investment income	189,633	13,747	112,890	401,828
Assessments and garbage collection	-	-	-	-
Capital contributions	-	-	-	-
Other revenues	180,056	-	-	-
Total revenues	369,689	367,060	3,086,466	3,286,750
EXPENDITURES:				
Current:				
General government:				
City Manager	-	-	-	-
City Attorney	-	-	-	-
Finance	-	-	-	-
Information technology	-	-	-	-
Community development	56,524	353,313	-	-
Public safety:				
Police	-	-	-	-
Public works	-	-	-	-
Non-departmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	56,524	353,313	-	-
REVENUES OVER (UNDER) EXPENDITURES	313,165	13,747	3,086,466	3,286,750
OTHER FINANCING SOURCES (USES):				
Inception of subscription liability	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,965,814)	(897,879)
Total other financing sources (uses)	-	-	(1,965,814)	(897,879)
NET CHANGES IN FUND BALANCES	313,165	13,747	1,120,652	2,388,871
FUND BALANCES:				
Beginning of year	5,135,204	10,024	1,768,445	7,492,573
End of year	\$ 5,448,369	\$ 23,771	\$ 2,889,097	\$ 9,881,444

(Continued)

City of San Mateo

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Non-Major Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue			
	Advance Planning Fund	Solid Waste Fund	Parks and Recreation Fund	Traffic Impact Fee Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	- -	- -	156,093	- -
Licenses, building and other permits	- -	- -	- -	- -
Fines, forfeitures and penalties	- -	4,595,760	- -	- -
Intergovernmental	93,414	404,788	- -	- -
Charges for services	1,516,403	1,483,691	- -	- -
Investment income	280,387	819,292	801,940	- -
Assessments and garbage collection	- -	1,772,894	- -	- -
Capital contributions	- -	- -	110,364	9,575
Other revenues	- -	63,838	- -	- -
Total revenues	1,890,204	9,140,263	1,068,397	9,575
EXPENDITURES:				
Current:				
General government:				
City Manager	127,136	18,807	- -	- -
City Attorney	- -	- -	- -	- -
Finance	9,937	9,130	- -	- -
Information technology	- -	- -	- -	- -
Community development	1,083,700	- -	- -	- -
Public safety:				
Police	- -	- -	- -	- -
Public works	- -	3,755,685	- -	- -
Non-departmental	- -	- -	17,726	- -
Capital outlay	- -	73,324	- -	1,819,496
Debt service:				
Principal	- -	23,773	- -	- -
Interest and fiscal charges	- -	200	- -	- -
Total expenditures	1,220,773	3,880,919	17,726	1,819,496
REVENUES OVER (UNDER) EXPENDITURES	669,431	5,259,344	1,050,671	(1,809,921)
OTHER FINANCING SOURCES (USES):				
Inception of subscription liability	- -	73,324	- -	- -
Transfers in	- -	- -	- -	- -
Transfers out	- -	(766,619)	(1,784,621)	- -
Total other financing sources (uses)	- -	(693,295)	(1,784,621)	- -
NET CHANGES IN FUND BALANCES	669,431	4,566,049	(733,950)	(1,809,921)
FUND BALANCES:				
Beginning of year	5,841,009	14,423,067	19,442,376	56,420
End of year	\$ 6,510,440	\$ 18,989,116	\$ 18,708,426	\$ (1,753,501)

(Continued)

City of San Mateo

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Non-Major Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue			Debt Service
	Commercial Linkage Fee Fund	Construction Services Fund	Landfill Bonds Fund	General Obligation Bonds Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ 1,699,475
Other taxes	-	-	-	-
Licenses, building and other permits	-	7,476,592	-	-
Fines, forfeitures and penalties	-	-	-	-
Intergovernmental	-	3,300	-	-
Charges for services	-	1,269,802	-	-
Investment income	152,179	1,115,816	193,052	320,622
Assessments and garbage collection	-	-	-	-
Capital contributions	-	-	-	-
Other revenues	-	220	-	-
Total revenues	152,179	9,865,730	193,052	2,020,097
EXPENDITURES:				
Current:				
General government:				
City Manager	-	244,689	-	-
City Attorney	-	289,279	-	-
Finance	-	26,591	-	-
Information technology	-	117,643	-	-
Community development	-	9,695,591	-	-
Public safety:				
Police	-	-	-	-
Public works	-	1,346,286	134,969	-
Non-departmental	5,338	74,000	-	126,686
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	2,600,000
Interest and fiscal charges	-	-	-	2,091,750
Total expenditures	5,338	11,794,079	134,969	4,818,436
REVENUES OVER (UNDER) EXPENDITURES	146,841	(1,928,349)	58,083	(2,798,339)
OTHER FINANCING SOURCES (USES):				
Inception of subscription liability	-	-	-	-
Transfers in	-	-	-	2,690,000
Transfers out	-	(1,306,394)	(51,140)	-
Total other financing sources (uses)	-	(1,306,394)	(51,140)	2,690,000
NET CHANGES IN FUND BALANCES	146,841	(3,234,743)	6,943	(108,339)
FUND BALANCES:				
Beginning of year, as previously reported	3,405,093	26,933,917	4,490,002	7,591,815
End of year	\$ 3,551,934	\$ 23,699,174	\$ 4,496,945	\$ 7,483,476

(Continued)

City of San Mateo

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Non-Major Governmental Funds

For the Year Ended June 30, 2025

	Debt Service	
	2% Hotel Tax Fund	Total Non-Major Governmental Funds
REVENUES:		
Property taxes	\$ -	\$ 1,699,475
Other taxes	783,669	939,762
Licenses, building and other permits	-	7,476,592
Fines, forfeitures and penalties	-	4,739,370
Intergovernmental	-	8,316,885
Charges for services	-	4,269,896
Investment income	13,751	4,611,492
Assessments and garbage collection	-	1,772,894
Capital contributions	-	119,939
Other revenues	-	497,604
Total revenues	797,420	34,443,909
EXPENDITURES:		
Current:		
General government:		
City Manager	-	390,632
City Attorney	-	289,279
Finance	-	45,658
Information technology	-	117,643
Community development	-	11,496,735
Public safety:		
Police	-	1,497,560
Public works	-	5,236,940
Non-departmental	134,713	358,463
Capital outlay	-	1,989,378
Debt service:		
Principal	545,000	3,168,773
Interest and fiscal charges	282,515	2,374,465
Total expenditures	962,228	26,965,526
REVENUES OVER (UNDER) EXPENDITURES	(164,808)	7,478,383
OTHER FINANCING SOURCES (USES):		
Inception of subscription liability	-	73,324
Transfers in	350,000	3,040,000
Transfers out	-	(6,772,467)
Total other financing sources (uses)	350,000	(3,659,143)
NET CHANGES IN FUND BALANCES	185,192	3,819,240
FUND BALANCES:		
Beginning of year	178,905	99,372,194
End of year	\$ 364,097	\$ 103,191,434

(Concluded)

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Police Grants Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 143,610	\$ 143,610
Intergovernmental	1,741,137	2,306,574	1,349,440	(957,134)
Investment income	6,000	6,000	196,355	190,355
Total revenues	1,747,137	2,312,574	1,689,405	(623,169)
EXPENDITURES:				
Current:				
Public safety:				
Police	1,655,239	1,984,651	1,497,560	487,091
Capital outlay	77,000	159,000	96,558	62,442
Total expenditures	1,732,239	2,143,651	1,594,118	549,533
NET CHANGES IN FUND BALANCE	\$ 14,898	\$ 168,923	95,287	\$ (73,636)
FUND BALANCE:				
Beginning of year			531,193	
End of year			\$ 626,480	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 732,000	\$ 732,000	\$ 226,585	\$ (505,415)
Other revenues	8,000	8,000	16,169	8,169
Total revenues	740,000	740,000	242,754	(497,246)
EXPENDITURES:				
Current:				
Community development	504,175	504,175	280,060	224,115
Total expenditures	504,175	504,175	280,060	224,115
REVENUES OVER (UNDER) EXPENDITURES	235,825	235,825	(37,306)	(273,131)
OTHER FINANCING SOURCES (USES):				
Transfers out	(617,000)	(617,000)	-	617,000
Total other financing sources (uses)	(617,000)	(617,000)	-	617,000
NET CHANGES IN FUND BALANCE	\$ (381,175)	\$ (381,175)	(37,306)	\$ 343,869
FUND BALANCE:				
Beginning of year			391,076	
End of year			\$ 353,770	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
HOME Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 27,547	\$ 27,547
Other revenues	<u>15,000</u>	<u>15,000</u>	<u>10,638</u>	<u>(4,362)</u>
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>38,185</u>	<u>23,185</u>
EXPENDITURES:				
Current:				
Community development	<u>10,000</u>	<u>10,000</u>	<u>27,547</u>	<u>(17,547)</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>27,547</u>	<u>(17,547)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>10,638</u>	<u>\$ 5,638</u>
FUND BALANCE:				
Beginning of year			<u>483,316</u>	
End of year			<u><u>\$ 493,954</u></u>	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
City Housing Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Other revenues	\$ 16,000	\$ 16,000	\$ 226,683	\$ 210,683
Total revenues	66,000	66,000	226,683	160,683
EXPENDITURES:				
Current:				
Community development	228,500	228,500	-	228,500
Total expenditures	228,500	228,500	-	228,500
REVENUES OVER (UNDER) EXPENDITURES	(162,500)	(162,500)	226,683	389,183
NET CHANGES IN FUND BALANCE	\$ (162,500)	\$ (162,500)	226,683	\$ 389,183
FUND BALANCE:				
Beginning of year			1,197,759	
End of year			\$ 1,424,442	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Low and Moderate Income Housing Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income	\$ 75,190	\$ 75,190	\$ 189,633	\$ 114,443
Other revenues	214,000	214,000	180,056	(33,944)
Total revenues	289,190	289,190	369,689	80,499
EXPENDITURES:				
Current:				
Community development	146,311	146,311	56,524	89,787
Total expenditures	146,311	146,311	56,524	89,787
NET CHANGES IN FUND BALANCE	\$ 142,879	\$ 142,879	313,165	\$ 170,286
FUND BALANCE:				
Beginning of year			5,135,204	
End of year			\$ 5,448,369	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Permanent Local Housing Allocation Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 300,000	\$ 593,103	\$ 353,313	\$ (239,790)
Investment income	-	-	13,747	13,747
Total revenues	<u>300,000</u>	<u>593,103</u>	<u>367,060</u>	<u>(226,043)</u>
EXPENDITURES:				
Current:				
Community development	309,303	602,406	353,313	249,093
Total expenditures	<u>309,303</u>	<u>602,406</u>	<u>353,313</u>	<u>249,093</u>
NET CHANGES IN FUND BALANCE	<u>\$ (9,303)</u>	<u>\$ (9,303)</u>	13,747	<u>\$ 23,050</u>
FUND BALANCE:				
Beginning of year			10,024	
End of year			<u>\$ 23,771</u>	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,011,959	\$ 3,011,959	\$ 2,973,576	\$ (38,383)
Investment income	40,000	40,000	112,890	72,890
Total revenues	3,051,959	3,051,959	3,086,466	34,507
REVENUES OVER (UNDER) EXPENDITURES				
	3,051,959	3,051,959	3,086,466	34,507
OTHER FINANCING (USES):				
Transfers out	(4,047,500)	(4,047,500)	(1,965,814)	2,081,686
Total other financing (uses)	(4,047,500)	(4,047,500)	(1,965,814)	2,081,686
NET CHANGES IN FUND BALANCE	\$ (995,541)	\$ (995,541)	1,120,652	\$ 2,116,193
FUND BALANCE:				
Beginning of year			1,768,445	
End of year			\$ 2,889,097	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Road Maintenance and Rehabilitation Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,738,904	\$ 2,738,904	\$ 2,884,922	\$ 146,018
Investment income	146,000	146,000	401,828	255,828
Total revenues	2,884,904	2,884,904	3,286,750	401,846
REVENUES OVER (UNDER) EXPENDITURES				
	2,884,904	2,884,904	3,286,750	401,846
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,200,000)	(3,200,000)	(897,879)	2,302,121
Total other financing sources (uses)	(3,200,000)	(3,200,000)	(897,879)	2,302,121
NET CHANGES IN FUND BALANCE	\$ (315,096)	\$ (315,096)	2,388,871	\$ 2,703,967
FUND BALANCE:				
Beginning of year			7,492,573	
End of year			\$ 9,881,444	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Advance Planning Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 93,414	\$ (156,586)
Charges for services	1,700,000	1,700,000	1,516,403	(183,597)
Investment income	94,760	94,760	280,387	185,627
Total revenues	2,044,760	2,044,760	1,890,204	(154,556)
EXPENDITURES:				
Current:				
General government:				
City Manager	167,271	177,271	127,136	50,135
Finance	14,537	14,537	9,937	4,600
Community development	1,719,539	1,719,539	1,083,700	635,839
Total expenditures	1,901,347	1,911,347	1,220,773	690,574
NET CHANGES IN FUND BALANCE	\$ 143,413	\$ 133,413	669,431	\$ 536,018
FUND BALANCE:				
Beginning of year			5,841,009	
End of year			\$ 6,510,440	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Solid Waste Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ 184,000	\$ 184,000	\$ 4,595,760	\$ 4,411,760
Intergovernmental	375,609	629,902	404,788	(225,114)
Charges for services	1,109,000	1,109,000	1,483,691	374,691
Investment income	160,000	160,000	819,292	659,292
Assessments and garbage collection	1,944,000	1,944,000	1,772,894	(171,106)
Capital contributions	150,000	150,000	-	(150,000)
Other revenues	82,000	82,000	63,838	(18,162)
Total revenues	4,004,609	4,258,902	9,140,263	4,881,361
EXPENDITURES:				
Current:				
General government:				
City Manager	18,012	18,012	18,807	(795)
Finance	14,537	14,537	9,130	5,407
Public works	3,639,219	3,639,219	3,755,685	(116,466)
Capital outlay	40,000	294,293	73,324	220,969
Debt service:				
Principal	-	-	23,773	(23,773)
Interest and fiscal charges	-	-	200	(200)
Total expenditures	3,711,768	3,966,061	3,880,919	85,142
REVENUES OVER (UNDER) EXPENDITURES	292,841	292,841	5,259,344	4,966,503
OTHER FINANCING SOURCES (USES):				
Inception of lease liability	-	-	73,324	73,324
Transfers out	-	-	(766,619)	(766,619)
Total other financing sources (uses)	-	-	(693,295)	(693,295)
NET CHANGES IN FUND BALANCE	\$ 292,841	\$ 292,841	4,566,049	\$ 4,273,208
FUND BALANCE:				
Beginning of year				14,423,067
End of year				\$ 18,989,116

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Parks and Recreation Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final	Amounts	
REVENUES:				
Other taxes	\$ -	\$ -	\$ 156,093	\$ 156,093
Investment income	187,000	187,000	801,940	614,940
Capital contributions	50,000	50,000	110,364	60,364
Total revenues	237,000	237,000	1,068,397	831,397
EXPENDITURES:				
Current:				
Non-departmental	17,726	17,726	17,726	-
Total expenditures	17,726	17,726	17,726	-
REVENUES OVER (UNDER) EXPENDITURES	219,274	219,274	1,050,671	831,397
OTHER FINANCING SOURCES (USES):				
Transfers out	(938,000)	(938,000)	(1,784,621)	(846,621)
Total other financing sources (uses)	(938,000)	(938,000)	(1,784,621)	(846,621)
NET CHANGES IN FUND BALANCE	\$ (718,726)	\$ (718,726)	(733,950)	\$ (15,224)
FUND BALANCE:				
Beginning of year			19,442,376	
End of year			\$ 18,708,426	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Traffic Impact Fee Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Capital contributions	\$ 2,428,197	\$ 2,428,197	\$ 9,575	\$ (2,418,622)
Total revenues	<u>2,428,197</u>	<u>2,428,197</u>	<u>9,575</u>	<u>(2,418,622)</u>
EXPENDITURES:				
Capital outlay	1,800,000	1,800,000	1,819,496	(19,496)
Total expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,819,496</u>	<u>(19,496)</u>
NET CHANGES IN FUND BALANCE	<u><u>\$ 628,197</u></u>	<u><u>\$ 628,197</u></u>	<u><u>(1,809,921)</u></u>	<u><u>\$ (2,438,118)</u></u>
FUND (DEFICIT):				
Beginning of year			56,420	
End of year			<u><u>\$ (1,753,501)</u></u>	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Commercial Linkage Fee Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (5,000,000)
Investment income	-	-	152,179	152,179
Total revenues	5,000,000	5,000,000	152,179	(4,847,821)
EXPENDITURES:				
Current:				
Non-departmental	5,338	5,338	5,338	-
Total expenditures	5,338	5,338	5,338	-
NET CHANGES IN FUND BALANCE	\$ 4,994,662	\$ 4,994,662	146,841	\$ (4,847,821)
FUND BALANCE:				
Beginning of year			3,405,093	
End of year			\$ 3,551,934	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Construction Services Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Licenses, building and other permits	\$ 7,385,100	\$ 7,385,100	\$ 7,476,592	\$ 91,492
Intergovernmental	-	-	3,300	3,300
Charges for services	1,406,000	1,406,000	1,269,802	(136,198)
Investment income	450,000	450,000	1,115,816	665,816
Other revenues	-	-	220	220
Total revenues	9,241,100	9,241,100	9,865,730	624,630
EXPENDITURES:				
Current:				
General government:				
City Manager	280,899	280,899	244,689	36,210
City Attorney	229,249	229,249	289,279	(60,030)
Finance	43,611	43,611	26,591	17,020
Information technology	129,718	129,718	117,643	12,075
Community development	12,157,457	12,157,457	9,695,591	2,461,866
Public works	1,229,840	1,229,840	1,346,286	(116,446)
Non-departmental	76,400	76,400	74,000	2,400
Total expenditures	14,147,174	14,147,174	11,794,079	2,353,095
REVENUES OVER (UNDER) EXPENDITURES	(4,906,074)	(4,906,074)	(1,928,349)	2,977,725
OTHER FINANCING (USES):				
Transfers out	(1,050,000)	(1,050,000)	(1,306,394)	(256,394)
Total other financing (uses)	(1,050,000)	(1,050,000)	(1,306,394)	(256,394)
NET CHANGES IN FUND BALANCE	\$ (5,956,074)	\$ (5,956,074)	(3,234,743)	\$ 2,721,331
FUND BALANCE:				
Beginning of year			26,933,917	
End of year			\$ 23,699,174	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Landfill Bonds Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income	\$ 80,000	\$ 80,000	\$ 193,052	\$ 113,052
Assessments and garbage collection	600,000	600,000	-	(600,000)
Total revenues	680,000	680,000	193,052	(486,948)
EXPENDITURES:				
Current:				
Public works	107,814	107,814	134,969	(27,155)
Total expenditures	107,814	107,814	134,969	(27,155)
REVENUES OVER (UNDER) EXPENDITURES	572,186	572,186	58,083	(514,103)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(51,140)	(51,140)
Total other financing sources (uses)	-	-	(51,140)	(51,140)
NET CHANGES IN FUND BALANCE	\$ 572,186	\$ 572,186	6,943	\$ (565,243)
FUND BALANCE:				
Beginning of year			4,490,002	
End of year			\$ 4,496,945	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
General Obligation Bonds Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 1,340,000	\$ 1,340,000	\$ 1,699,475	\$ 359,475
Investment income	120,000	120,000	320,622	200,622
Total revenues	1,460,000	1,460,000	2,020,097	560,097
EXPENDITURES:				
Current:				
Non-departmental	125,401	125,401	126,686	(1,285)
Debt service:				
Principal	3,349,400	3,349,400	2,600,000	749,400
Interest and fiscal charges	1,342,350	1,342,350	2,091,750	(749,400)
Total expenditures	4,817,151	4,817,151	4,818,436	(1,285)
REVENUES OVER (UNDER) EXPENDITURES	(3,357,151)	(3,357,151)	(2,798,339)	558,812
OTHER FINANCING SOURCES:				
Transfers in	2,690,000	2,690,000	2,690,000	-
Total other financing sources	2,690,000	2,690,000	2,690,000	-
NET CHANGES IN FUND BALANCE	\$ (667,151)	\$ (667,151)	(108,339)	\$ 558,812
FUND BALANCE:				
Beginning of year			7,591,815	
End of year			\$ 7,483,476	

City of San Mateo
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
2% Hotel Tax Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 700,000	\$ 700,000	\$ 783,669	\$ 83,669
Investment income	-	-	13,751	13,751
Total revenues	700,000	700,000	797,420	97,420
EXPENDITURES:				
Current:				
Non-departmental	134,144	134,144	134,713	(569)
Debt service:				
Principal	545,000	545,000	545,000	-
Interest and fiscal charges	400,000	400,000	282,515	117,485
Total expenditures	1,079,144	1,079,144	962,228	116,916
REVENUES OVER (UNDER) EXPENDITURES	(379,144)	(379,144)	(164,808)	214,336
OTHER FINANCING SOURCES (USES):				
Transfers in	350,000	350,000	350,000	-
Total other financing sources (uses)	350,000	350,000	350,000	-
NET CHANGES IN FUND BALANCE	\$ (29,144)	\$ (29,144)	185,192	\$ 214,336
FUND BALANCE:				
Beginning of year			178,905	
End of year			\$ 364,097	

Internal Service Funds

Workers' Compensation Insurance Fund accounts for all workers' compensation self-insurance activities.

Dental Self-Insurance Fund accounts for the City's self-insurance activities related to the dental plan the City provides to its employees.

Benefits Fund accounts for charges to other funds and expenditures relating to employee benefits other than those accounted for in the Worker Compensation and Dental Self-Insurance Funds.

Comprehensive Liability Insurance Fund accounts for the general liability self-insurance transactions.

Vehicle and Equipment Replacement Fund accounts for rental charges to City departments and the replacement of vehicles and equipment.

Fleet and Building Maintenance Fund accounts for the charges to user departments and the expenses relating to the maintenance of City vehicles and buildings.

City of San Mateo
Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
ASSETS				
Current assets:				
Cash and investments	\$ 21,894,738	\$ 821,248	\$ 1,053,335	\$ 2,795,124
Accounts receivable, net	49,207	-	733,102	-
Grants receivable	-	-	-	-
Prepaid items, inventory, and deposits	395,000	147,000	-	30,000
Total current assets	<u>22,338,945</u>	<u>968,248</u>	<u>1,786,437</u>	<u>2,825,124</u>
Noncurrent assets:				
Capital assets:				
Depreciable, net	-	-	-	-
Total capital assets	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	<u>22,338,945</u>	<u>968,248</u>	<u>1,786,437</u>	<u>2,825,124</u>
LIABILITIES				
Current liabilities:				
Accounts payable	59,667	5,810	26,422	118,631
Accrued payroll	8,529	-	-	-
Deposits payable	-	-	139,256	-
Claims payable - due within one year	2,504,000	-	-	1,494,000
Total current liabilities	<u>2,572,196</u>	<u>5,810</u>	<u>165,678</u>	<u>1,612,631</u>
Noncurrent liabilities:				
Claims payable - due in more than one year	10,686,000	-	-	3,851,000
Total noncurrent liabilities	<u>10,686,000</u>	<u>-</u>	<u>-</u>	<u>3,851,000</u>
Total liabilities	<u>13,258,196</u>	<u>5,810</u>	<u>165,678</u>	<u>5,463,631</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Unrestricted (deficit)	9,080,749	962,438	1,620,759	(2,638,507)
Total net position	<u>\$ 9,080,749</u>	<u>\$ 962,438</u>	<u>\$ 1,620,759</u>	<u>\$ (2,638,507)</u>

City of San Mateo
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2025

	Vehicle and Equipment Replacement	Fleet and Building Maintenance	Total
ASSETS			
Current assets:			
Cash and investments	\$ 10,894,625	\$ 212,314	\$ 37,671,384
Accounts receivable, net	-	-	782,309
Grants receivable	3,043	-	3,043
Prepaid items, inventory, and deposits	-	70,124	642,124
Total current assets	<u>10,897,668</u>	<u>282,438</u>	<u>39,098,860</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net	6,772,578	65,496	6,838,074
Total capital assets	<u>6,772,578</u>	<u>65,496</u>	<u>6,838,074</u>
Total noncurrent assets	<u>6,772,578</u>	<u>65,496</u>	<u>6,838,074</u>
Total assets	<u>17,670,246</u>	<u>347,934</u>	<u>45,936,934</u>
LIABILITIES			
Current liabilities:			
Accounts payable	216,948	286,769	714,247
Accrued payroll	-	48,928	57,457
Deposits payable	-	-	139,256
Claims payable - due within one year	-	-	3,998,000
Total current liabilities	<u>216,948</u>	<u>335,697</u>	<u>4,908,960</u>
Noncurrent liabilities:			
Claims payable - due in more than one year	-	-	14,537,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>14,537,000</u>
Total liabilities	<u>216,948</u>	<u>335,697</u>	<u>19,445,960</u>
NET POSITION			
Net investment in capital assets	6,772,578	65,496	6,838,074
Unrestricted (deficit)	10,680,720	(53,259)	19,652,900
Total net position	<u>\$ 17,453,298</u>	<u>\$ 12,237</u>	<u>\$ 26,490,974</u>

City of San Mateo
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2025

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
OPERATING REVENUES:				
Charges for services	\$ 4,379,520	\$ 842,547	\$ 48,825,099	\$ 3,700,000
Other revenue	668,000	-	-	14,510
Total operating revenues	5,047,520	842,547	48,825,099	3,714,510
OPERATING EXPENSES:				
Personnel services	433,523	-	48,166,673	198,786
Materials and supplies	2,065,930	815,307	122,003	5,850,558
Depreciation and amortization	-	-	-	-
Total operating expenses	2,499,453	815,307	48,288,676	6,049,344
OPERATING INCOME (LOSS)	2,548,067	27,240	536,423	(2,334,834)
NONOPERATING REVENUES (EXPENSES):				
Investment income	938,056	-	-	119,754
Gain on sale of capital assets	-	-	-	-
Grants	-	-	-	-
Total nonoperating revenues (expenses)	938,056	-	-	119,754
INCOME (LOSS) BEFORE TRANSFERS	3,486,123	27,240	536,423	(2,215,080)
TRANSFERS:				
Transfers in	-	-	-	2,000,000
Transfers out	(2,000,000)	-	-	-
Total transfers	(2,000,000)	-	-	2,000,000
Changes in net position	1,486,123	27,240	536,423	(215,080)
NET POSITION (DEFICIT):				
Beginning of year	7,594,626	935,198	1,084,336	(2,423,427)
End of year	\$ 9,080,749	\$ 962,438	\$ 1,620,759	\$ (2,638,507)

City of San Mateo
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
OPERATING REVENUES:			
Charges for services	\$ 1,843,585	\$ 5,563,043	\$ 65,153,794
Other revenue	3,965	818	687,293
Total operating revenues	1,847,550	5,563,861	65,841,087
OPERATING EXPENSES:			
Personnel services	-	1,879,455	50,678,437
Materials and supplies	554,257	3,862,686	13,270,741
Depreciation and amortization	1,306,362	5,159	1,311,521
Total operating expenses	1,860,619	5,747,300	65,260,699
OPERATING INCOME (LOSS)	(13,069)	(183,439)	580,388
NONOPERATING REVENUES (EXPENSES):			
Investment income	466,775	-	1,524,585
Gain on sale of capital assets	39,718	-	39,718
Grants	43,043	-	43,043
Total nonoperating revenues (expenses)	549,536	-	1,607,346
INCOME (LOSS) BEFORE TRANSFERS	536,467	(183,439)	2,187,734
TRANSFERS:			
Transfers in	410,000	-	2,410,000
Transfers out	(1,619,429)	-	(3,619,429)
Total transfers	(1,209,429)	-	(1,209,429)
Changes in net position	(672,962)	(183,439)	978,305
NET POSITION (DEFICIT):			
Beginning of year	18,126,260	195,676	25,512,669
End of year	\$ 17,453,298	\$ 12,237	\$ 26,490,974

City of San Mateo
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2025

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 4,330,313	\$ 842,547	\$ 48,815,784	\$ 3,700,000
Cash payments to suppliers for goods and services	(2,746,872)	(860,868)	40,096	(4,712,923)
Cash payments to employees for services	(424,994)	-	(48,288,676)	(198,786)
Cash received from others	668,000	-	-	14,510
Net cash provided by (used in) operating activities	1,826,447	(18,321)	567,204	(1,197,199)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	-	2,000,000
Transfers out	(2,000,000)	-	-	-
Net cash provided by (used in) noncapital financing activities	(2,000,000)	-	-	2,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants and contributions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Acquisition of capital assets, net	-	-	-	-
Net cash (used in) capital and related financing activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	938,056	-	-	119,754
Net cash provided by investing activities	938,056	-	-	119,754
Net change in cash and cash equivalents	764,503	(18,321)	567,204	922,555
CASH AND CASH EQUIVALENTS:				
Beginning of year	21,130,235	839,569	486,131	1,872,569
End of year	\$ 21,894,738	\$ 821,248	\$ 1,053,335	\$ 2,795,124

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 2,548,067	\$ 27,240	\$ 536,423	\$ (2,334,834)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	-
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(49,207)	-	(9,315)	-
Grants receivable	-	-	-	-
Prepaid items, inventory, and deposits	-	-	-	-
Accounts payable	(12,942)	(45,561)	13,854	(167,365)
Accrued payroll	8,529	-	-	-
Deposits payable	-	-	26,242	-
Claims payable	(668,000)	-	-	1,305,000
Total adjustments	<u>(721,620)</u>	<u>(45,561)</u>	<u>30,781</u>	<u>1,137,635</u>
Net cash provided by (used in) operating activities	<u>\$ 1,826,447</u>	<u>\$ (18,321)</u>	<u>\$ 567,204</u>	<u>\$ (1,197,199)</u>

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,840,542	\$ 5,563,043	\$ 65,092,229
Cash payments to suppliers for goods and services	(436,799)	(3,960,436)	(12,677,802)
Cash payments to employees for services	-	(1,825,998)	(50,738,454)
Cash received from others	3,965	818	687,293
Net cash provided by (used in) operating activities	1,407,708	(222,573)	2,363,266
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	410,000	-	2,410,000
Transfers out	(1,619,429)	-	(3,619,429)
Net cash provided by noncapital financing activities	(1,209,429)	-	(1,209,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants and contributions	43,043	-	43,043
Proceeds from sale of capital assets	56,443	-	56,443
Acquisition of capital assets, net	(1,048,674)	-	(1,048,674)
Net cash (used in) capital and related financing activities	(949,188)	-	(949,188)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	466,775	-	1,524,585
Net cash provided by investing activities	466,775	-	1,524,585
Net change in cash and cash equivalents	(284,134)	(222,573)	1,729,234
CASH AND CASH EQUIVALENTS:			
Beginning of year	11,178,759	434,887	35,942,150
End of year	\$ 10,894,625	\$ 212,314	\$ 37,671,384

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (13,069)	\$ (183,439)	\$ 580,388
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,306,362	5,159	1,311,521
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	-	(58,522)
Grants receivable	(3,043)	-	(3,043)
Prepaid items, inventory, and deposits	-	(37,950)	(37,950)
Accounts payable	117,458	(55,271)	(149,827)
Accrued payroll	-	48,928	57,457
Deposits payable	-	-	26,242
Claims payable	-	-	637,000
Total adjustments	<u>1,420,777</u>	<u>(39,134)</u>	<u>1,782,878</u>
Net cash provided by (used in) operating activities	<u>\$ 1,407,708</u>	<u>\$ (222,573)</u>	<u>\$ 2,363,266</u>

(Concluded)

This page intentionally left blank.

Fiduciary Funds - Custodial Funds

San Mateo Consolidated Fire Department Custodial Fund, accounts for assets that the City is holding for the San Mateo Consolidated Fire Department.

CFD 2008-1 Custodial Fund, accounts for assets that the City is holding for the Community Facilities District No. 2008-01 for which the City is acting as an agent.

Other Custodial Fund, accounts for assets that the City is holding for other entities for which the City is acting as an agent.

This page intentionally left blank.

City of San Mateo
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2025

	San Mateo Consolidated Fire Department	CFD 2008-1	Other	Total
ASSETS				
Cash and investments	\$ 65,619	\$ 3,580,564	\$ 110,785	\$ 3,756,968
Restricted cash and investments	-	3,763,641	-	3,763,641
Accounts receivable	-	-	16,837	16,837
Total assets	65,619	7,344,205	127,622	7,537,446
LIABILITIES				
Due to other governments	62,976	-	91,380	154,356
Total liabilities	62,976	-	91,380	154,356
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	2,643	7,344,205	36,242	7,383,090
Total Net Position	\$ 2,643	\$ 7,344,205	\$ 36,242	\$ 7,383,090

City of San Mateo
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2025

	San Mateo Consolidated Fire Department	CFD 2008-1	Other	Total
ADDITIONS:				
Fee collections for other governments	\$ 253,452	\$ -	\$ 470,551	\$ 724,003
Special Assessments for other governments	-	5,040,692	-	5,040,692
Investment income	-	166,373	-	166,373
Total additions	253,452	5,207,065	470,551	5,931,068
DEDUCTIONS:				
Administration	-	22,324	-	22,324
Payments on conduit bonds - principal	-	1,140,000	-	1,140,000
Payments on conduit bonds - interest	-	3,671,338	-	3,671,338
Payments to other organizations and governments	250,809	-	434,309	685,118
Total deductions	250,809	4,833,662	434,309	5,518,780
Changes in net position	2,643	373,403	36,242	412,288
NET POSITION:				
Beginning of year	-	6,970,802	-	6,970,802
End of year	\$ 2,643	\$ 7,344,205	\$ 36,242	\$ 7,383,090

Fiduciary Funds - Private Purpose Trust Funds

RDA Obligation Retirement Fund (RORF), established in accordance with AB 1X 26, accounts for Redevelopment Property Tax Trust Fund amounts received after January 31, 2012 to pay for Recognized Obligation Payment Schedule (ROPS) items.

Successor Agency to RDA Merged Area Fund, a sub-fund of the RORF, accounts for assets and liabilities of the former RDA merged project area which were transferred to the Successor Agency upon RDA dissolution to be used for ROPS payments or redistributed to taxing entities.

Successor Agency to RDA Housing Fund, a sub-fund of the RORF, accounts for assets and liabilities of the former RDA housing set aside transferred to the Successor Agency upon RDA dissolution to be used for ROPS payments or redistributed to taxing entities.

This page intentionally left blank.

City of San Mateo
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2025

	RDA Retirement Obligation	Successor Agency to RDA Merged Area	Successor Agency to RDA Housing	Total
ASSETS				
Cash and investments	\$ 5,278,336	\$ -	\$ -	\$ 5,278,336
Restricted cash and investments	-	1	-	1
Total assets	5,278,336	1	-	5,278,337
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	-	11,359	-	11,359
Total deferred outflows of resources	-	11,359	-	11,359
LIABILITIES				
Interest payable	-	626,771	-	626,771
Long-term debt - due within one year	-	4,475,000	-	4,475,000
Long-term debt - due in more than one year	-	28,026,174	-	28,026,174
Total liabilities	-	33,127,945	-	33,127,945
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	-	30,417	-	30,417
Total deferred inflows of resources	-	30,417	-	30,417
NET POSITION				
Restricted for dissolution of RDA	5,278,336	(33,147,002)	-	(27,868,666)
Total Net Position (deficit)	\$ 5,278,336	\$ (33,147,002)	\$ -	\$ (27,868,666)

City of San Mateo
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2025

	RDA Retirement Obligation	Successor Agency to RDA Merged Area	Successor Agency to RDA Housing	Total
ADDITIONS:				
Investment income	\$ 1,091	\$ -	\$ -	\$ 1,091
RDA property tax trust fund distribution	101,688	5,887,563	10,000	5,999,251
Total additions	102,779	5,887,563	10,000	6,000,342
DEDUCTIONS:				
Administration	-	10,000	10,000	20,000
Interest expense	-	1,053,190	-	1,053,190
Total deductions	-	1,063,190	10,000	1,073,190
Changes in net position	102,779	4,824,373	-	4,927,152
NET POSITION (DEFICIT):				
Beginning of year	5,175,557	(37,971,375)	-	(32,795,818)
End of year	\$ 5,278,336	\$ (33,147,002)	\$ -	\$ (27,868,666)

Schedules of Assessments and Investment Fees and Related Expenditures

South Bayfront Levee Improvement Project accounts for the revenues and expenditures of assessments imposed to finance the South Bayfront Levee Improvement Project.

South Trunk Sewer Impact Fee accounts for revenue and expenditures related to the development impact fee for the South Trunk area sewer improvements. The fee is imposed on all development and redevelopment served by the South Trunk line.

Child Care Development Impact Fee accounts for revenues and expenditures related to the child care development fee to fund child care facilities necessitated by commercial development.

Tree Impact Fee accounts for revenues and expenditures related to the tree replacement fee established on all development requiring approval of planning application, except for single-family dwelling design review applications, for the removal of existing trees on development sites.

Cable Television Impact Fee accounts for revenues and expenditures related to the cable television impact fee to fund public access community television.

This page intentionally left blank.

City of San Mateo
General Capital Projects Fund
Schedule of Assessments and Impact Fees and Related Expenditures
For the Year Ended June 30, 2025

	South Bayfront Levee Improvement Project	South Trunk Sewer Impact Fee	Child Care Development Impact Fee	Tree Impact Fee	Cable Television Impact Fee	Total Assessments and Impact Fees
REVENUES:						
Assessments	\$ 537,868	\$ -	\$ -	\$ -	\$ -	\$ 537,868
Impact fees	-	-	-	297,649	164,824	462,473
Interest income	-	304,136	578,301	410,166	47,332	1,339,935
Total revenues	537,868	304,136	578,301	707,815	212,156	2,340,276
EXPENDITURES:						
Capital outlay	7,074	-	1,018,866	97,366	41,371	1,164,677
Debt service	389,724	-	-	-	-	389,724
Total expenditures	396,798	-	1,018,866	97,366	41,371	1,554,401
Changes in unexpended balances	141,070	304,136	(440,565)	610,449	170,785	785,875
UNEXPENDED BALANCES:						
Beginning of year	2,444,489	865,623	1,862,221	1,132,343	1,352,406	7,657,082
End of year	\$ 2,585,559	\$ 1,169,759	\$ 1,421,656	\$ 1,742,792	\$ 1,523,191	\$ 8,442,957

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

STATISTICAL SECTION (Unaudited)

This part of the City of San Mateo's Annual Comprehensive Financial Reports 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 condition.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	194
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenues source: property tax	206
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	210
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	217
Operating Information These schedules contain service and infrastructure data to help the reader to understand how the information in the City's financial reports relates to the services the city provides and the activities it performs.	219

City of San Mateo
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2016	2017	2018⁽¹⁾	2019	2020
Governmental Activities					
Net investment in capital assets	\$ 348,551,145	\$ 361,295,211	\$ 373,263,037	\$ 374,808,638	\$ 380,800,232
Restricted	42,628,946	43,004,559	56,180,410	56,993,128	58,615,106
Unrestricted (deficit)	(25,485,083)	(16,647,454)	(27,694,719)	(16,582,840)	(22,039,326)
Total Governmental Activities Net Position	<u>\$ 365,695,008</u>	<u>\$ 387,652,316</u>	<u>\$ 401,748,728</u>	<u>\$ 415,218,926</u>	<u>\$ 417,376,012</u>
Business-Type Activities					
Net investment in capital assets	\$ 83,893,024	\$ 112,410,305	\$ 136,901,535	\$ 137,297,898	\$ 154,095,718
Restricted	9,457,948	17,976,147	3,019,163	1,127,518	1,143,604
Unrestricted (deficit)	20,791,916	(7,096,918)	(2,674,687)	24,223,141	39,117,768
Total Business-Type Activities Net Position	<u>\$ 114,142,888</u>	<u>\$ 123,289,534</u>	<u>\$ 137,246,011</u>	<u>\$ 162,648,557</u>	<u>\$ 194,357,090</u>
Primary Government					
Net investment in capital assets	\$ 432,444,169	\$ 473,705,516	\$ 510,164,572	\$ 512,106,536	\$ 534,895,950
Restricted	52,086,894	60,980,706	59,199,573	58,120,646	59,758,710
Unrestricted (deficit)	(4,693,167)	(23,744,372)	(30,369,406)	7,640,301	17,078,442
Total Primary Government Net Position	<u>\$ 479,837,896</u>	<u>\$ 510,941,850</u>	<u>\$ 538,994,739</u>	<u>\$ 577,867,483</u>	<u>\$ 611,733,102</u>

Notes:

(1) Unrestricted net position included adjustment to reflect implementation of GASB 75 in FY2018.

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2021	2022	2023⁽¹⁾	2024	2025⁽²⁾
Governmental Activities					
Net investment in capital assets	\$ 392,070,528	\$ 397,780,546	\$ 384,115,038	\$ 412,852,193	\$ 407,405,337
Restricted	38,577,326	45,323,758	54,886,312	111,215,112	135,651,788
Unrestricted (deficit)	(11,392,141)	6,233,558	12,405,371	(53,862,081)	(65,191,059)
Total Governmental Activities Net Position	\$ 419,255,713	\$ 449,337,862	\$ 451,406,721	\$ 470,205,224	\$ 477,866,066
Business-Type Activities					
Net investment in capital assets	\$ 168,133,572	\$ 135,235,423	\$ 79,620,512	\$ 205,982,094	\$ 243,595,525
Restricted	1,143,852	33,375,069	92,240,461	-	-
Unrestricted (deficit)	58,834,359	109,975,918	164,051,166	184,575,261	225,793,158
Total Business-Type Activities Net Position	\$ 228,111,783	\$ 278,586,410	\$ 335,912,139	\$ 390,557,355	\$ 469,388,683
Primary Government					
Net investment in capital assets	\$ 560,204,100	\$ 533,015,969	\$ 463,735,550	\$ 618,834,287	\$ 651,000,862
Restricted	39,721,178	78,698,827	147,126,773	111,215,112	135,651,788
Unrestricted (deficit)	47,442,218	116,209,476	176,456,537	130,713,180	160,602,099
Total Primary Government Net Position	\$ 647,367,496	\$ 727,924,272	\$ 787,318,860	\$ 860,762,579	\$ 947,254,749

Notes:

(1) Unrestricted net position included adjustment to reflect implementation of GASB 96 in FY2023.

(2) Unrestricted net position included adjustment to reflect implementation of GASB 101 in FY2025.

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 13,408,222	\$ 15,288,834	\$ 16,253,149	\$ 22,520,951	\$ 24,844,817
Community development	8,615,056	9,218,215	8,968,176	10,689,333	11,079,458
Public safety	56,518,491	66,098,015	78,040,802	72,388,649	84,968,332
Public works	19,194,348	19,454,397	22,900,784	25,294,822	26,353,672
Parks and recreation	14,715,076	17,688,663	17,723,370	18,589,445	18,827,857
Golf	-	-	-	2,413,326	2,363,389
Library	7,481,649	8,640,943	8,409,588	9,088,444	9,546,338
Interest and fiscal charges	1,563,149	1,603,120	1,282,632	1,545,181	1,967,739
Total governmental activities expenses	121,495,991	137,992,187	153,578,501	162,530,151	179,951,602
Business-type activities:					
Sewer	29,446,279	27,650,895	28,541,139	30,979,524	39,159,040
Golf	2,925,638	2,699,895	3,119,828	-	-
Storm	-	-	-	-	-
Total business-type activities expenses	32,371,917	30,350,790	31,660,967	30,979,524	39,159,040
Total primary government expenses	\$ 153,867,908	\$ 168,342,977	\$ 185,239,468	\$ 193,509,675	\$ 219,110,642
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 8,864,516	\$ 4,460,496	\$ 4,761,038	\$ 4,850,552	\$ 4,196,601
Community development	13,040,363	15,504,626	18,647,276	11,962,685	11,367,968
Public safety	4,963,005	5,460,041	5,859,462	4,873,368	6,334,734
Public works	3,204,712	7,078,959	8,816,371	7,908,636	10,140,356
Parks and recreation	4,026,981	5,733,587	4,416,286	4,427,073	3,158,517
Golf	-	-	-	2,169,365	2,206,781
Library	376,099	384,442	425,676	418,247	395,001
Operating Grants and Contributions	4,920,003	4,855,791	6,527,822	7,091,483	7,613,730
Capital Grants and Contributions	17,519,113	7,404,767	12,254,621	11,235,278	10,814,961
Total governmental activities program revenues	56,914,792	50,882,709	61,708,552	54,936,687	56,228,649
Business-type activities:					
Charges for Services:					
Sewer	31,349,390	31,790,037	41,737,548	51,981,922	58,741,767
Golf	2,259,273	2,155,822	2,361,164	-	-
Storm	-	-	-	-	-
Capital Grants and Contributions	9,648,484	4,559,627	2,628,892	1,231,712	7,290,894
Total business-type activities program revenues	43,257,147	38,505,486	46,727,604	53,213,634	66,032,661
Total primary government program revenues	\$ 100,171,939	\$ 89,388,195	\$ 108,436,156	\$ 108,150,321	\$ 122,261,310
Net (Expense)/Revenue	\$ (64,581,199)	\$ (87,109,478)	\$ (91,869,949)	\$ (107,593,464)	\$ (123,722,953)
Governmental activities	10,885,230	8,154,696	15,066,637	22,234,110	26,873,621
Business-type activities	\$ (53,695,969)	\$ (78,954,782)	\$ (76,803,312)	\$ (85,359,354)	\$ (96,849,332)

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
General government	\$ 22,566,708	\$ 23,459,894	\$ 28,633,018	\$ 27,773,248	\$ 35,035,480
Community development	11,362,295	20,402,608	16,765,437	14,269,937	14,329,357
Public safety	88,274,410	66,993,033	94,267,213	92,903,796	97,594,346
Public works	22,560,152	21,712,677	28,996,164	31,088,776	30,139,286
Parks and recreation	17,581,661	16,497,215	20,923,090	24,598,631	24,557,407
Golf	2,406,028	2,368,719	2,505,214	-	-
Library	8,797,338	8,678,548	9,421,539	10,598,001	10,671,815
Interest and fiscal charges	2,674,930	2,447,923	2,494,361	2,407,407	2,368,152
Total governmental activities expenses	176,223,522	162,560,617	204,006,036	203,639,796	214,695,843
Business-type activities:					
Sewer	40,969,271	41,868,215	41,833,626	45,059,021	49,007,101
Golf	-	-	-	-	-
Storm	-	-	-	-	678,770
Total business-type activities expenses	40,969,271	41,868,215	41,833,626	45,059,021	49,685,871
Total primary government expenses	\$ 217,192,793	\$ 204,428,832	\$ 245,839,662	\$ 248,698,817	\$ 264,381,714
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 6,305,379	\$ 7,754,336	\$ 6,404,657	\$ 6,755,941	\$ 6,846,213
Community development	11,277,683	10,420,500	13,320,594	12,636,122	10,777,794
Public safety	2,402,026	2,179,473	3,166,616	4,132,856	2,992,438
Public works	7,117,981	8,860,490	7,540,418	8,506,152	12,960,751
Parks and recreation	1,010,881	2,921,700	3,512,400	7,662,922	7,748,286
Golf	3,129,139	3,529,967	3,105,744	-	-
Library	270,043	314,628	318,769	381,127	360,115
Operating Grants and Contributions	19,005,126	16,397,540	9,841,723	11,003,457	13,313,488
Capital Grants and Contributions	9,354,286	9,085,257	5,390,848	13,247,974	4,419,461
Total governmental activities program revenues	59,872,544	61,463,891	52,601,769	64,326,551	59,418,546
Business-type activities:					
Charges for Services:					
Sewer	67,962,290	71,491,119	77,987,677	81,333,394	84,891,876
Golf	-	-	-	-	-
Storm	-	-	-	-	3,859,759
Capital Grants and Contributions	5,931,349	21,355,870	15,487,045	8,179,541	25,614,442
Total business-type activities program revenues	73,893,639	92,846,989	93,474,722	89,512,935	114,366,077
Total primary government program revenues	\$ 133,766,183	\$ 154,310,880	\$ 146,076,491	\$ 153,839,486	\$ 173,784,623
Net (Expense)/Revenue					
Governmental activities	\$ (116,350,978)	\$ (101,096,726)	\$ (151,404,267)	\$ (139,313,245)	\$ (155,277,297)
Business-type activities	32,924,368	50,978,774	51,641,096	44,453,914	64,680,206
Total primary government net expense	\$ (83,426,610)	\$ (50,117,952)	\$ (99,763,171)	\$ (94,859,331)	\$ (90,597,091)

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 49,821,722	\$ 52,989,559	\$ 58,137,331	\$ 63,899,034	\$ 67,106,048
Sales taxes	27,458,762	26,001,431	26,313,958	28,606,235	26,958,595
Property transfer tax	9,894,291	12,179,016	11,778,074	13,918,129	9,137,370
Other taxes	14,503,661	14,536,828	14,777,396	14,947,968	11,173,135
Franchise taxes	3,143,082	3,142,369	3,208,096	3,134,906	3,170,550
Motor vehicle taxes	416,222	55,990	64,442	-	-
Investment income (loss)	2,469,425	978,899	1,521,257	7,180,752	7,259,659
Other - GASB 68 Adjustment	344,425	-	-	-	-
Other revenues	-	32,694	66,005	42,081	64,312
Transfers	(3,020,196)	(850,000)	(525,000)	(1,788,676)	-
Special Item: Transfer of properties from Successor Agency	7,274,984	-	-	-	-
Special Item: Transfer of fire activities	-	-	-	(8,876,767)	-
Total Governmental activities:	112,306,378	109,066,786	115,341,559	121,063,662	124,869,669
Business-type activities:					
Investment income	524,455	141,950	189,713	1,379,769	5,845,282
Gain (Loss) on sale of capital assets	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Transfers	3,020,196	850,000	525,000	1,788,676	-
Total business-type activities	3,544,651	991,950	714,713	3,168,445	5,845,282
Total primary government	\$ 115,851,029	\$ 110,058,736	\$ 116,056,272	\$ 124,232,107	\$ 130,714,951
Change in Net Position					
Governmental activities	\$ 47,725,179	\$ 21,957,308	\$ 23,471,610	\$ 13,470,198	\$ 1,146,716
Business-type activities	14,429,881	9,146,646	15,781,350	25,402,555	32,718,903
Total primary government	\$ 62,155,060	\$ 31,103,954	\$ 39,252,960	\$ 38,872,753	\$ 33,865,619

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 66,631,563	\$ 74,796,572	\$ 83,298,878	\$ 81,331,244	\$ 85,234,112
Sales taxes	27,948,874	33,408,980	34,283,362	32,380,449	31,672,809
Property transfer tax	11,783,952	14,344,715	7,418,099	8,634,762	17,243,318
Other taxes	7,439,757	11,445,378	16,356,131	14,976,125	12,836,155
Franchise taxes	3,033,639	3,117,140	3,627,304	3,403,374	3,485,831
Motor vehicle taxes	-	-	-	-	-
Investment income (loss)	488,757	(6,317,294)	4,554,367	15,375,641	16,073,461
Other - GASB 68 Adjustment	-	-	-	-	-
Other revenues	904,137	383,384	2,140,985	2,010,153	1,104,241
Transfers	-	-	1,794,000	-	-
Special Item: Transfer of properties from Successor Agency	-	-	-	-	-
Special Item: Transfer of fire activities	-	-	-	-	-
Total Governmental activities:	118,230,679	131,178,875	153,473,126	158,111,748	167,649,927
Business-type activities:					
Investment income	851,242	(602,477)	7,176,108	9,342,754	13,252,318
Gain (Loss) on sale of capital assets	(22,292)	98,330	(101,329)	-	2,825
Miscellaneous revenues	1,375	-	403,854	848,548	1,210,069
Transfers	-	-	(1,794,000)	-	-
Total business-type activities	830,325	(504,147)	5,684,633	10,191,302	14,465,212
Total primary government	\$ 119,061,004	\$ 130,674,728	\$ 159,157,759	\$ 168,303,050	\$ 182,115,139
Change in Net Position					
Governmental activities	\$ 1,879,701	\$ 30,082,149	\$ 2,068,859	\$ 18,798,503	\$ 12,372,630
Business-type activities	33,754,693	50,474,627	57,325,729	54,645,216	79,145,418
Total primary government	\$ 35,634,394	\$ 80,556,776	\$ 59,394,588	\$ 73,443,719	\$ 91,518,048

Source: City of San Mateo Annual Comprehensive Financial Reports

This page intentionally left blank.

City of San Mateo
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Property Transfer Tax	Franchise Tax	Other Taxes	Total
2016	\$ 49,821,722	\$ 27,458,762	\$ 9,894,291	\$ 3,143,082	\$ 14,919,883	\$ 105,237,740
2017	52,989,559	26,001,431	12,179,016	3,142,369	14,592,818	108,905,193
2018	58,137,331	26,313,958	11,778,074	3,208,096	14,841,838	114,279,297
2019	63,899,034	28,606,235	13,918,129	3,134,906	14,947,968	124,506,272
2020	67,106,048	26,958,595	9,137,370	3,170,550	11,173,135	117,545,698
2021	66,631,563	27,948,874	11,783,952	3,033,639	7,439,757	116,837,785
2022	74,796,572	33,408,980	14,344,715	3,117,140	11,445,378	137,112,785
2023	83,298,878	34,283,362	7,418,099	3,627,304	16,356,131	144,983,774
2024	81,331,244	32,380,449	8,634,762	3,403,374	14,976,125	140,725,954
2025	85,234,112	31,672,809	17,243,318	3,485,831	12,836,155	150,472,225

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable fund balance	\$ 93,968	\$ 146,668	\$ 1,365,781	\$ 1,138,335	\$ 801,607
Restricted fund balance	-	-	-	-	-
Committed fund balance	-	-	1,310,590	2,382,262	1,370,873
Assigned fund balance	653,902	1,151,152	983,063	708,521	670,609
Unassigned fund balance	57,850,140	65,807,692	71,844,796	83,958,171	82,719,189
Total General Fund	\$ 58,598,010	\$ 67,105,512	\$ 75,504,230	\$ 88,187,289	\$ 85,562,278
All Other Governmental Funds					
Nonspendable fund balance	\$ -	\$ -	\$ 4,206	\$ -	\$ -
Restricted fund balance	42,628,946	42,468,316	54,997,971	55,140,874	107,881,837
Committed fund balance	63,490,793	66,261,696	66,085,830	70,357,550	75,420,851
Assigned fund balance	-	-	-	-	-
Unassigned fund balance (deficit)	-	-	-	-	-
Total all other Governmental Funds	\$ 106,119,739	\$ 108,730,012	\$ 121,088,007	\$ 125,498,424	\$ 183,302,688

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	FISCAL YEAR				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable fund balance	\$ 329,193	\$ 357,245	\$ 284,396	\$ 304,759	\$ 284,638
Restricted fund balance	-	-	599,425	550,000	575,000
Committed fund balance	1,370,873	16,294,331	-	-	-
Assigned fund balance	-	1,097,978	9,304,494	11,443,226	11,747,524
Unassigned fund balance	90,258,189	93,702,456	107,690,904	105,659,356	106,931,699
Total General Fund	\$ 91,958,255	\$ 111,452,010	\$ 117,879,219	\$ 117,957,341	\$ 119,538,861
All Other Governmental Funds					
Nonspendable fund balance	\$ -	\$ 9,000	\$ -	\$ -	\$ 3,502
Restricted fund balance	71,611,963	77,144,719	128,358,271	131,583,602	137,732,148
Committed fund balance	93,093,835	65,881,489	-	-	-
Assigned fund balance	-	-	17,200,801	26,595,669	21,908,617
Unassigned fund balance (deficit)	(586,982)	(1,401,910)	-	-	(1,753,501)
Total all other Governmental Funds	\$ 164,118,816	\$ 141,633,298	\$ 145,559,072	\$ 158,179,271	\$ 157,890,766

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
Revenues:					
Property taxes	\$ 49,821,722	\$ 52,989,555	\$ 58,137,331	\$ 63,899,035	\$ 67,106,048
Sales taxes	27,458,762	26,001,428	26,313,958	28,606,235	26,958,596
Other taxes	27,947,256	29,904,204	29,818,008	32,051,159	23,481,055
Licenses, building and other permits	12,481,519	13,986,765	16,829,698	9,820,297	8,511,610
Fines, forfeitures and Penalties	1,608,517	2,347,508	1,983,069	2,361,048	1,486,473
Intergovernmental revenues	10,139,448	10,514,086	10,081,168	13,900,475	13,455,252
Charges for services	11,642,713	10,994,505	11,865,030	13,006,381	12,140,217
Investment income (loss)	2,016,000	436,583	1,274,997	6,257,565	6,451,349
Indirect and in-lieu fees	-	-	-	1,317,331	710,540
Assessment and garbage collection surcharge	8,000,287	2,405,534	2,591,689	1,887,074	1,952,167
Parking meter and lease revenue	2,881,193	3,113,739	5,334,641	4,320,920	5,960,255
Impact fees	4,274,248	3,747,065	4,021,226	1,754,337	4,471,088
Capital contributions	-	-	375,000	750,000	750,000
Other revenues	3,438,927	3,751,388	3,851,650	5,140,943	4,440,498
Total revenues	161,710,592	160,192,360	172,477,465	185,072,800	177,875,148
Expenditures:					
General government	13,389,976	11,823,438	12,631,562	13,248,604	14,127,919
Community development	7,283,445	8,382,090	8,968,166	9,870,728	9,903,606
Public safety	58,605,898	63,623,621	68,708,919	63,971,508	69,607,595
Public works	7,128,676	8,585,107	10,030,818	10,525,838	11,194,667
Parks and recreation	13,190,936	14,666,422	14,967,718	15,563,445	15,177,801
Golf	-	-	-	2,152,691	2,210,391
Library	6,099,700	6,499,489	6,721,084	7,421,137	7,260,024
Non-departmental	1,250,000	2,891,155	3,001,379	5,726,983	6,535,562
Capital outlay	20,745,215	28,829,906	18,367,591	22,865,146	30,549,652
Debt service:					
Principal	1,939,637	2,019,637	7,842,077	2,128,016	2,742,918
Interest and fiscal charges	1,656,297	1,702,963	1,705,078	1,624,137	1,554,488
Cost of issuance	-	-	-	-	380,166
Total expenditures	131,289,780	149,023,828	152,944,392	155,098,233	171,244,789
Excess of revenues over (under) expenditures	30,420,812	11,168,532	19,533,073	29,974,567	6,630,359
Other Financing Sources (Uses):					
Proceeds from debt issuance	-	-	-	-	47,595,599
Premium	-	-	-	-	8,068,164
Debt refunding - payment to escrow	-	-	-	-	(4,006,995)
Proceeds from loans	14,027	746,896	2,157,843	-	-
Proceeds from sale of capital assets	-	-	-	-	713,154
Inception of lease liability	-	-	-	-	-
Inception of subscription liability	-	-	-	-	-
Transfers in	13,083,222	14,117,848	20,890,354	12,938,471	21,124,557
Transfers out	(14,033,222)	(14,915,501)	(21,824,557)	(12,995,487)	(24,945,585)
Total other financing sources (uses)	(935,973)	(50,757)	1,223,640	(57,016)	48,548,894
Special Item: Transfer of fire activities	-	-	-	(12,824,075)	-
Net change in fund balances	\$ 29,484,839	\$ 11,117,775	\$ 20,756,713	\$ 17,093,476	\$ 55,179,253
Debt Service as a percentage of noncapital expenditures (1)	3.11%	3.01%	6.89%	2.82%	2.98%

Notes:

(1) Non-capital expenditures is the difference between total expenditures and capital outlay reported on Government-wide Statement of Activities.

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	FISCAL YEAR				
	2021	2022	2023	2024	2025
Revenues:					
Property taxes	\$ 66,631,563	\$ 74,796,572	\$ 83,298,878	\$ 81,331,244	\$ 85,234,112
Sales taxes	27,948,874	33,408,980	34,283,362	32,380,449	31,672,809
Other taxes	22,257,348	28,907,233	27,140,943	26,771,455	33,565,303
Licenses, building and other permits	8,123,453	6,528,252	8,169,947	7,345,890	7,575,963
Fines, forfeitures and Penalties	2,247,808	2,201,172	2,909,055	3,242,892	6,944,309
Intergovernmental revenues	19,888,509	23,286,197	14,501,361	13,522,487	16,335,217
Charges for services	11,638,776	16,758,036	19,016,452	21,178,777	19,461,510
Investment income (loss)	411,387	(5,494,064)	3,403,037	13,744,895	14,255,667
Indirect and in-lieu fees	-	-	-	-	-
Assessment and garbage collection surcharge	6,268,685	2,248,303	2,702,720	2,897,760	2,310,762
Parking meter and lease revenue	2,023,435	5,807,293	3,424,971	3,199,677	3,236,263
Impact fees	1,741,192	613,890	147,064	-	-
Capital contributions	750,000	750,000	750,461	9,764,955	582,412
Other revenues	6,513,514	5,030,830	4,622,308	5,340,645	4,289,737
Total revenues	176,444,544	194,842,694	204,370,559	220,721,126	225,464,064
Expenditures:					
General government	14,777,676	14,824,775	14,095,593	15,524,365	17,100,226
Community development	10,450,200	20,931,630	14,508,302	13,862,340	13,975,563
Public safety	74,041,289	76,979,872	81,196,170	87,526,868	92,341,093
Public works	10,555,345	11,410,240	13,130,985	15,607,016	16,129,097
Parks and recreation	14,341,093	16,260,067	17,175,614	21,136,909	22,133,257
Golf	2,406,028	2,368,719	2,505,214	-	-
Library	7,063,780	7,645,003	7,836,173	8,619,895	9,258,253
Non-departmental	7,357,090	8,244,606	9,662,288	9,968,106	12,215,105
Capital outlay	42,765,863	31,945,962	29,334,514	27,615,436	45,395,401
Debt service:					
Principal	3,411,945	4,691,724	5,668,626	5,956,172	6,368,684
Interest and fiscal charges	3,412,560	2,950,846	2,869,645	2,806,831	2,714,517
Cost of issuance	-	-	-	-	-
Total expenditures	190,582,869	198,253,444	197,983,124	208,623,938	237,631,196
Excess of revenues over (under) expenditures	(14,138,325)	(3,410,750)	6,387,435	12,097,188	(12,167,132)
Other Financing Sources (Uses):					
Proceeds from debt issuance	1,525,675	-	-	-	-
Premium	-	-	-	-	-
Debt refunding - payment to escrow	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Proceeds from sale of capital assets	-	-	15,066	21,354	5,901
Inception of lease liability	-	-	-	-	11,474,769
Inception of subscription liability	-	-	2,862,579	1,076,231	770,051
Transfers in	21,438,281	14,919,215	23,783,665	31,096,445	21,270,763
Transfers out	(21,613,526)	(14,500,228)	(22,695,762)	(31,592,897)	(20,061,334)
Total other financing sources (uses)	1,350,430	418,987	3,965,548	601,133	13,460,150
Special Item: Transfer of fire activities	-	-	-	-	-
Net change in fund balances	\$ (12,787,895)	\$ (2,991,763)	\$ 10,352,983	\$ 12,698,321	\$ 1,293,018
Debt Service as a percentage of noncapital expenditures (1)	4.17%	4.90%	5.14%	4.85%	4.74%

Notes:

(1) Non-capital expenditures is the difference between total expenditures and capital outlay reported on Government-wide Statement of Activities.

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amount expressed in thousands)

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less Tax- Exempt Property		Taxable Assessed Value	Direct Tax Rate (2)	Total Estimated Actual Value (3)	Factor of Taxable Assessed Value (3)
2016	\$ 16,649,492	\$ 3,454,897	\$ 176,544	\$ 324,490	\$ 760,591	\$ 348,736	\$ 21,017,279	0.18%	\$ 40,006,118	1.9035	
2017	17,909,339	3,823,284	180,072	574,686	738,320	591,188	22,634,512	0.18%	44,026,273	1.9451	
2018	19,417,451	4,213,927	187,130	598,899	710,584	587,446	24,540,546	0.18%	48,683,633	1.9838	
2019	20,830,053	4,927,490	197,026	547,948	774,755	670,274	26,606,997	0.18%	54,298,177	2.0407	
2020	22,332,343	5,423,015	213,692	532,710	847,426	707,556	28,641,629	0.18%	55,884,822	1.9512	
2021	23,744,131	6,182,033	230,600	591,123	796,824	744,934	30,799,777	0.18%	51,914,472	1.6855	
2022	24,687,992	6,260,358	237,818	712,697	733,747	750,172	31,882,440	0.18%	62,404,646	1.9573	
2023	26,725,006	6,912,012	250,071	639,168	747,059	801,890	34,471,426	0.18%	67,076,627	1.9459	
2024	28,087,540	7,379,284	274,663	670,178	783,613	843,621	36,351,657	0.18%	64,202,152	1.7661	
2025	29,204,101	7,677,307	483,398	792,215	778,620	844,130	38,091,511	0.18%	67,792,376	1.7797	

Notes:

1) Other property includes state unitary value of \$5,560,213.

2) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 12-001. Rates are not adjusted for ERAF.

3) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

Source: County Assessor data, Source: Neumo / MuniServices, LLC

City of San Mateo
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Value	Rank	Percent of Total City	Taxable Value	Rank	Percent of Total City
			Taxable Value			Taxable Value
Bay Meadows Station 5 Investors LLC	\$ 1,144,188,590	1	3.00%			
Essex Portfolio Lp	630,287,503	2	1.65%			
Hsc Property Owner LLC	604,784,520	3	1.59%			
Franklin Templeton Corp Svcs Inc	479,292,299	4	1.26%	\$ 265,295,562	1	1.26%
2000 Sierra Point Parkway LLC	349,966,766	5	0.92%			
1825 Sg Corporation	294,190,812	6	0.77%			
Hg Clearview Owner LLC	242,097,280	7	0.64%			
San Mateo Bay Center 2 LLC	240,673,754	8	0.63%			
Asn Bay Meadows I LLC & Bay Meadows Ii LLC	236,624,276	9	0.62%	200,627,020	4	0.95%
Rakuten Chw LLC	204,345,887	10	0.54%			
Sobrato Interests 3				234,765,722	2	1.12%
Essex Hillsdale Garden Apts				221,502,309	3	1.05%
Bohannon Dev Co				183,210,755	5	0.87%
Hudson Peninsula Office Prk Ll				147,876,897	6	0.70%
Rp Smbc Owner LLC				128,500,000	7	0.61%
Rar2 Clearview				128,007,490	8	0.61%
Bre Properties Inc				121,899,402	9	0.58%
Park Place Realty Holding Co I				119,100,000	10	0.57%
 Total Top 10 Taxpayers	 4,426,451,687		 11.62%	 1,750,785,157		 8.33%
 Total Taxable Value	 \$ 38,091,510,451		 100.00%	 \$ 21,017,279,296		 100.00%

Source: Neumo / MuniServices, LLC

City of San Mateo
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate expressed in percentage)

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Basic City and County Levy										
CITY OF SAN MATEO	0.1761	0.1761	0.1761	0.1761	0.1761	0.1761	0.1761	0.1761	0.1761	0.1761
OTHER SAN MATEO										
COUNTY AGENCIES	0.8239	0.8239	0.8239	0.8239	0.8239	0.8239	0.8239	0.8239	0.8239	0.8239
TOTAL	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Override Assessments										
S M CTY DEBT-LIB. PROJECT	0.0102	0.0090	0.0084	0.0077	0.0071	0.0067	0.0064	0.0060	0.0057	0.0030
S M FOSTER CITY SERIES Q	-	-	-	-	-	0.0022	0.0035	0.0015	0.0159	0.0125
SM FC EL BD REFUND SER	-	-	-	-	-	-	-	-	-	-
SM FOSTER CITY 2005 REF	0.0197	0.0156	0.0162	0.0170	0.0042	-	-	-	-	-
SM FC 2012 GO REF Ser 0	0.0069	0.0060	0.0056	0.0052	0.0050	-	-	-	-	-
SM FC GO BOND 08 ELEC	0.0082	0.0154	0.0151	0.0146	0.0140	0.0073	0.0053	0.0086	-	-
SM FC GO BOND 2014	0.0006	0.0002	0.0003	0.0003	0.0011	0.0013	0.0014	0.0013	-	-
SM FC GO BOND 2015	0.0048	0.0174	0.0170	0.0159	0.0194	0.0151	0.0173	0.0159	0.0007	0.0099
SM FC GO BOND ELECT 202	-	-	-	-	-	-	-	-	0.0285	0.0274
SM FC GO BD 2020 REFUND	-	-	-	-	-	0.0203	0.0390	0.0340	0.0114	0.0112
SAN MATEO HIGH 2017 GO	-	-	-	0.0020	0.0016	0.0015	0.0014	0.0020	0.0019	0.0042
SAN MATEO HIGH BD SER 2	0.0064	0.0066	0.0065	0.0063	0.0063	0.0021	-	0.0049	0.0036	0.0018
SAN MATEO UN HIGH BND S	0.0063	0.0063	0.0063	0.0047	0.0036	0.0061	0.0061	0.0022	0.0022	0.0021
SAN MATEO HIGH RFND. SER	-	-	-	-	-	0.0044	0.0247	0.0038	0.0033	-
SAN MATEO HIGH 2012 GO	0.0088	0.0106	0.0105	0.0115	0.0109	0.0019	0.0046	0.0026	0.0025	-
SAN MATEO HIGH 2016 GO	-	-	0.0025	0.0020	0.0018	0.0061	0.0036	0.0069	0.0096	0.0117
SAN MATEO HIGH 2019 GO	-	-	-	-	-	0.0025	0.0023	0.0020	0.0019	0.0048
SAN MATEO HIGH 2019 REF	-	-	-	-	-	0.0020	0.0061	0.0015	0.0014	0.0013
SAN MATEO HIGH 2022 GO	-	-	-	-	-	-	-	0.0021	0.0017	0.0016
SM JR COLLEGE BD 2002	0.0012	0.0019	0.0019	0.0018	0.0019	0.0019	0.0020	0.0016	0.0017	0.0017
SM JR COLL BOND SER 200	-	-	-	-	-	0.0018	0.0019	0.0017	0.0016	0.0017
SM JR COLL BOND 2001 SE	0.0008	0.0006	0.0007	0.0007	0.0007	0.0007	0.0007	0.0006	0.0007	0.0006
SM JR COLL BOND 2006 SE	0.0039	0.0037	0.0036	0.0035	0.0033	0.0032	0.0031	0.0026	0.0021	0.0014
SM JR COLL BOND 2014	-	0.0029	0.0027	0.0024	0.0018	0.0017	-	0.0003	0.0012	-
SM JR COLL BOND 2015	-	0.0071	0.0066	0.0012	0.0011	0.0012	-	0.0002	0.0002	0.0003
SAN MATEO COMM COLL 200	0.0036	0.0085	0.0080	0.0079	0.0042	0.0037	0.0040	0.0039	0.0040	0.0040
SAN MATEO HIGH ELEC	0.0251	0.0180	0.0175	0.0142	0.0143	0.0183	-	0.0224	0.0195	0.0170
SM JR COLL BOND REF 201	0.0155	-	-	-	-	0.0025	0.0019	-	-	-
SAN MATEO COMM COLL	-	-	-	-	0.0035	-	0.0043	0.0035	0.0033	0.0040
SM JR COLL ELECT 2014	-	-	-	-	0.0088	0.0036	0.0039	0.0040	0.0035	0.0033
SM JR COLL 2018 REF BOND	-	-	-	-	0.0007	0.0005	0.0005	0.0005	0.0004	0.0004
SM JR COLL 2019 REF BOND	-	-	-	-	0.0006	0.0005	0.0004	0.0004	0.0003	0.0004
TOTAL	0.1220	0.1298	0.1294	0.1189	0.1159	0.1191	0.1444	0.1370	0.1288	0.1263
TOTAL TAX RATE	1.1220	1.1298	1.1294	1.1189	1.1159	1.1191	1.1444	1.1370	1.1288	1.1263

Sources: County Auditor/Controller data, Neumo / MuniServices, LLC

City of San Mateo
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Collected Within the Fiscal Year of the Levy				Total Collections To Date		
	Total Tax Levied for Fiscal Year	Collected Amount	Percentage of Levy	Delinquent Tax Collections	Collected Amount	Percentage of Levy	
	(1)	(2)	(3)			(4)	
2016	\$ 49,821,722	\$ 49,821,722	100.00%	n/a	\$ 49,821,722	100.00%	
2017	52,989,556	52,989,556	100.00%	n/a	52,989,556	100.00%	
2018	58,146,288	58,137,331	99.98%	n/a	58,137,331	99.98%	
2019	63,899,034	63,899,034	100.00%	n/a	63,899,034	100.00%	
2020	67,106,048	67,106,048	100.00%	n/a	67,106,048	100.00%	
2021	66,631,560	66,631,560	100.00%	n/a	66,631,560	100.00%	
2022	74,796,572	74,796,572	100.00%	n/a	74,796,572	100.00%	
2023	83,298,878	83,298,878	100.00%	n/a	83,298,878	100.00%	
2024	81,331,244	81,331,244	100.00%	n/a	81,331,244	100.00%	
2025	85,234,112	85,234,112	100.00%	n/a	85,234,112	100.00%	

Notes:

(1) The data in this table includes the basic and supplemental city property taxes and subventions, debt service tax and the Redevelopment Agency tax increments, ERAF refunds, and property tax in-lieu of motor vehicle fees.

(2) Former redevelopment agency tax increments were excluded starting February 1, 2012, and subsequent fiscal years.

(3) San Mateo County assesses properties and it bills, collects, and distributes property taxes to all taxing entities, including the City. Under State law, known as the Teeter Plan, the county remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Only secured taxes will be paid under the Teeter Plan.

(4) Years of lower collection are due to weak housing market and assessed value appeals.

Source: County of San Mateo

City of San Mateo
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities							Total Governmental
	General Obligation Bonds	Revenue Bond	Loans Payable	Lease Liability	Subscription Liability			
2016	\$ 26,268	\$ 26,774	\$ 193	\$ -	\$ -	\$ -	\$ -	53,235
2017	24,920	26,026	865	-	-	-	-	51,811
2018	23,528	19,512	2,936	-	-	-	-	45,976
2019	22,086	25,408	2,728	86	-	-	-	50,308
2020	20,584	74,356	4,323	29	-	-	-	99,292
2021	19,032	72,379	5,501	-	-	-	-	96,912
2022	17,410	69,888	4,880	-	-	-	-	92,178
2023	15,733	67,394	4,285	1,054	3,473	-	-	91,939
2024	13,986	64,801	3,689	442	3,651	-	-	86,569
2025	12,168	62,088	3,090	11,067	2,716	-	-	91,129

Notes:

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

Former Redevelopment Agency Bonds were excluded in fiscal year 2012 and subsequent fiscal years.

Golf bond was included in Governmental Activities Revenue Bond effective fiscal year 2019 (when Golf operation was transferred to General Fund)

Capital lease payable was included in Governmental Activities capital lease payable effective fiscal year 2019 (when Golf operation was transferred to General Fund)

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita	Fiduciary Funds		
	Sewer Bonds	Loans Payable	Golf Bond	Lease Liability	Subscription Liability	Total Business-Type	Redevelopment Bond				Tax Allocation Bond	County CDBG Loan	
2016	\$ 59,867	\$ 11,000	\$ 7,095	\$ -	\$ -	\$ 77,962	\$ 131,197	2.45%	\$ 1,288	\$ 72,202.45	\$ -		
2017	58,244	5,000	6,710	209	-	70,163	121,974	2.12%	1,187	68,400	-		
2018	56,572	5,000	6,572	142	-	68,286	114,262	1.88%	1,112	63,395	-		
2019	338,126	-	-	-	-	338,126	388,434	6.17%	3,788	59,095	-		
2020	334,752	-	-	-	-	334,752	434,044	6.89%	4,230	55,045	-		
2021	331,296	-	-	-	-	331,296	428,208	6.30%	4,175	50,875	-		
2022	635,380	-	-	-	-	635,380	727,558	9.23%	7,030	46,546	-		
2023	619,136	-	-	75	-	619,211	711,150	7.75%	6,883	42,046	-		
2024	318,566	295,479	-	38	-	614,083	700,652	6.83%	6,779	37,371	-		
2025	314,737	374,884	-	-	149	689,770	780,899	6.99%	7,486	32,501	-		

Notes:

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

Former Redevelopment Agency Bonds were excluded in fiscal year 2012 and subsequent fiscal years.

Golf bond was included in Governmental Activities Revenue Bond effective fiscal year 2019 (when Golf operation was transferred to General Fund)

Capital lease payable was included in Governmental Activities capital lease payable effective fiscal year 2019 (when Golf operation was transferred to General Fund)

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds		Less: Amount Available in Debt Svc Fund		Total (net)	Percentage of Total Taxable Assessed Value		Per Capita
2016	\$ 26,268		\$ 3,642	\$ 22,626	0.11%	\$ 220		
2017	24,920		4,026	20,894	0.09%	202		
2018	23,528		4,455	19,073	0.08%	183		
2019	22,086		4,960	17,126	0.06%	164		
2020	20,584		5,340	15,244	0.05%	148		
2021	19,032		5,701	13,331	0.04%	129		
2022	17,410		5,934	11,481	0.04%	111		
2023	15,733		6,661	9,072	0.02%	88		
2024	13,986		7,591	6,411	0.02%	62		
2025	12,168		7,483	4,685	0.01%	45		

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Former Redevelopment Agency Bonds were excluded in fiscal year 2012 and subsequent fiscal years.

Source: City of San Mateo Annual Comprehensive Financial Reports

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

<u>2024-25 Assessed Valuation:</u>	<u>\$ 38,197,755,051</u>		
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2025</u>	<u>%</u>	<u>City's Share of Debt 6/30/2025</u>
San Mateo Community College District	\$ 655,171,697	11.73%	\$ 76,858,192
San Mateo Union High School District	668,248,421	33.92%	226,649,817
Sequoia Union High School District	449,512,000	0.53%	2,386,909
Belmont-Redwood Shores School District	124,104,335	3.64%	4,522,362
Belmont-Redwood Shores School District Belmont School Facilities Improvement District	38,785,685	6.33%	2,453,582
Hillsborough School District	134,153,355	0.00%	1,342
San Mateo-Foster City School District	508,668,474	68.70%	349,450,155
City of San Mateo	12,168,641	100%	12,168,641 ⁽²⁾
City of San Mateo Community Facilities District No. 2008-1	70,210,000	100%	70,210,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 2,661,022,608		\$ 744,701,000
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Mateo County General Fund Obligations	\$ 530,970,772	11.73%	\$ 62,288,181
San Mateo County Board of Education Certificates of Participation	5,330,000	11.73%	\$ 625,262
Belmont-Redwood Shores School District General Fund Obligations	4,494,140	3.64%	\$ 163,766
Highlands Recreation District General Fund Obligations	1,731,000	0.01%	\$ 242
City of San Mateo Lease Revenue and Revenue Bonds	15,402,268	100%	\$ 15,402,268 ⁽²⁾
San Mateo-Foster City Public Finance Authority Revenue Bonds	46,685,463	100%	\$ 46,685,463 ⁽²⁾
City of San Mateo Loans Payable	3,089,707	100%	\$ 3,089,707
City of San Mateo Lease Liability	11,067,585	100%	\$ 11,067,585
City of San Mateo Subscriptions Liability	2,715,563	100%	\$ 2,715,563
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,185,295	11.73%	\$ 373,667
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 624,671,793		\$ 142,411,704
Less: Highlands Recreation District supported obligations			189
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 142,411,515
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 31,190,000	100.00%	\$ 31,190,000
TOTAL DIRECT DEBT			91,129,227
TOTAL GROSS OVERLAPPING DEBT			827,173,477
TOTAL NET OVERLAPPING DEBT			827,173,288
GROSS COMBINED TOTAL DEBT			918,302,704 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 918,302,515

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$12,168,641)	0.03%
Total Direct and Overlapping Tax and Assessment Debt	1.95%
Total Direct Debt (\$91,129,227)	0.24%
Gross Combined Total Debt	2.40%
Net Combined Total Debt	2.40%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,301,305,109):

Total Overlapping Tax Increment Debt	0.94%
--------------------------------------	-------

Notes:

(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) Includes unamortized premiums

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue.

**City of San Mateo
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)**

	FISCAL YEAR				
	2016	2017	2018	2019	2020
Debt Limit	\$ 3,204,902	\$ 3,483,855	\$ 3,769,199	\$ 4,091,591	\$ 4,402,378
Total net debt applicable to limit	26,268	24,920	23,528	22,086	20,584
Legal debt margin	\$ 3,178,634	\$ 3,458,935	\$ 3,745,671	\$ 4,069,505	\$ 4,381,794
Total net debt applicable to the limit as a percentage of debt limit	0.82%	0.72%	0.62%	0.54%	0.47%

Total net debt applicable to the limit as a percentage of debt limit 0.82% 0.72% 0.62% 0.54% 0.47%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

Source: County of San Mateo

City of San Mateo
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	FISCAL YEAR				
	2021	2022	2023	2024	2025
Debt Limit	\$ 4,731,707	\$ 4,894,892	\$ 5,290,997	\$ 5,579,292	\$ 5,840,346
Total net debt applicable to limit	19,032	17,410	15,733	13,986	12,168
Legal debt margin	<u>\$ 4,712,675</u>	<u>\$ 4,877,482</u>	<u>\$ 5,275,264</u>	<u>\$ 5,565,306</u>	<u>\$ 5,828,178</u>
Total net debt applicable to the limit as a percentage of debt limit	0.40%	0.36%	0.30%	0.25%	0.21%

Legal Debt Margin Calculation for Fiscal Year 2024

	2025
Assessed value	\$ 38,091,510
Add back: exempt real property	844,130
	<u>\$ 38,935,640</u>
Debt limit (15% of assessed value)	\$ 5,840,346
Debt Application to limit:	
General obligation bonds	12,168
Total net debt applicable to limit	12,168
Legal debt margin	<u>\$ 5,828,178</u>

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

Source: County of San Mateo

City of San Mateo
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Sewer Revenue Bonds							
	Sewer Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Interest	Coverage	
	(1)	(2)		Principal				
2016	\$ 31,874	\$ 23,218	\$ 8,656	\$ 1,460		\$ 2,560		2.15
2017	31,932	21,419	10,513	1,515		2,516		2.61
2018	41,927	21,870	20,057	1,565		2,462		4.98
2019	53,362	23,347	30,015	1,585		3,220		6.25
2020	64,587	22,828	41,759	1,650		9,536		3.73
2021	69,020	24,262	44,758	1,730		13,195		3.00
2022	71,061	24,409	46,652	20,820 (3)		20,413		2.17 (3)
2023	85,586	24,508	61,078	1,740		12,694		4.23
2024	85,128	30,124	55,004	273,430 (4)		12,018		3.96 (4)
2025	99,202	29,934	69,268	1,960		12,517		4.78

Notes:

(1) Sewer charges and other include investment earnings.
 (2) Operating expenses do not include interest or depreciation.

(3) Increase due to the refunding of the 2011A Sewer Revenue bonds totaling \$19.7 million, which is excluded from the coverage calculation.
 (4) Increase due to the refunding of the 2021B Wastewater Revenue Notes totaling \$271.5 million, which is excluded from the coverage calculation.

Source: City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population		Per Capita			*Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)	City Population (1)	City Population (% of County) (1)
	Year	(1)	Personal Income (2)	Personal Income (2)	Median Age						
2016	\$ 102,659	\$ 5,156,150,934	\$ 50,226	39.1	20,603	3.40%	3.30%	766,041	13.40%		
2017	103,426	5,444,686,980	52,643	39.1	21,074	3.00%	2.90%	770,203	13.43%		
2018	104,490	5,850,629,158	55,992	38.9	21,321	2.20%	2.00%	774,155	13.50%		
2019	104,570	6,175,904,200	59,060	39.6	21,299	1.70%	1.60%	774,485	13.50%		
2020	103,087	6,332,177,735	61,426	39.2	21,461	11.10%	9.70%	773,244	13.33%		
2021	103,045	6,832,166,874	66,303	38.2	20,729	6.84%	6.20%	765,245	13.47%		
2022	103,779	7,903,471,358	76,157	37.8	20,012	1.70%	1.50%	744,662	13.94%		
2023	103,318	9,177,651,153	88,829	38.0	19,554	2.70%	2.80%	737,644	14.01%		
2024	103,352	10,259,142,230	99,264	39.4	19,323	2.90%	2.90%	741,565	13.94%		
2025	104,315	11,164,331,652	107,025	40.0	19,268	3.40%	3.30%	748,337	13.94%		

Notes:

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Income Data is provided by U.S. Census Bureau.

(3) Unemployment Data is provided by the Employment Development Department's Bureau of Labor Statistics Department.

*Student Enrollment reflects the total number of students enrolled in the San Mateo Union High School District and San Mateo-Foster City Unified School District. Any other school districts within the City are not accounted for in this statistic.

Source: Neumo / MuniServices, LLC

City of San Mateo
Principal Employers for City of San Mateo
Current Year and Nine Years Ago

Business Name	2025		2016	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
		(%)		(%)
County of San Mateo Medical Center	1,372	2.27%	1,140	1.82%
San Mateo Foster City School District*	1,245	2.06%	1,208	1.93%
Sony Interactive Entertainment America, Playstation America	1,175	1.95%	1,300	2.08%
San Mateo Union High School District	1,043	1.73%	1,000	1.60%
San Mateo College (San Mateo County CCD)	726	1.20%	1,110	1.77%
San Mateo County Behavioral Health	535	0.89%	560	0.89%
City of San Mateo	501	0.83%	991	1.58%
Mills Health Center - Sutter Health	412	0.68%		0.00%
Franklin Templeton Investor	381	0.63%	983	1.57%
Rakuten	291	0.48%		
Net Suite Inc			600	0.96%
Marketo Inc			474	0.76%
Total Top 10 Employers	7,681	12.72%	9,366	14.96%
Total Labor Force (1)	60,400		62,600	

Notes:

(1) Total City Labor Force provided by EDD Labor Force Data.

Results based on direct correspondence with city's local businesses.

*Includes Capuchino and Burlingame HS which are outside the city limits of San Mateo.

Source: Neumo / MuniServices, LLC

City of San Mateo
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	66.41	65.58	66.09	62.65	62.65	61.95	59.95	58.92	64.39	68.07
Community development	47.35	48.94	48.94	49.72	51.72	51.40	51.40	53.18	56.18	57.92
Public safety	256.53	268.11	265.85	177.14	171.51	170.50	167.50	169.40	170.40	175.75 (1)
Public works (excluding Sewer)	45.99	57.96	57.11	63.51	61.56	63.71	64.08	67.69	73.28	75.34
Parks and recreation (excluding Golf)	101.54	102.07	103.21	107.73	107.73	106.40	107.68	100.47	107.08	109.17
Library	49.35	50.59	52.48	53.36	53.36	53.34	52.34	52.32	54.32	53.66
Sewer	77.99	80.49	80.49	84.58	86.53	86.20	84.83	86.52	85.41	90.70
Golf	11.14	11.77	11.77	12.55	12.55	12.75	12.75	12.75	7.50	7.50
Total:	656.30	685.51	685.94	611.24	607.61	606.25	600.53	601.25	618.56	638.11

Notes:

(1) Public safety number starting fiscal year 2019 only included Police Department's employees. Fire Operations were transferred to San Mateo Consolidated Fire Department effective 1/13/2019.

Source: Adopted City Budgets

City of San Mateo
Operating Indicators by Function
Last Ten Fiscal Years

Function	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building:										
Building permits issued	4,359	4,169	4,385	3,678	3,345	3,937	4,061	4,115	3,856	3,960
Inspections	16,984	19,061	20,252	18,828	15,890	19,138	16,160	18,881	18,129	15,485
Finance:										
Business licenses issued	9,474	8,796	8,656	8,200	8,072	7,300	7,300	8,350	7,900	8,293
Fire:										
Number of calls	9,780	9,282	9,822	5,365						(2)
Inspections	7,504	7,681	4,513	1,284						(2)
Golf course:										
Golf rounds played	62,441	59,348	62,923	61,805	60,820	80,050	83,964	75,130	80,636	82,345 (3)
Library:										
Annual circulation	946,259	981,512	988,301	1,129,127	921,979	657,064	983,423	980,442	1,022,395	1,111,696 (3)
Library visits	555,008	603,760	610,834	764,469	422,226	25,168	255,644	336,040	379,404	331,363 (3)
Parks and recreation:										
Course registration	24,843	23,123	23,734	22,521	23,412	5,837	14,537	19,488	19,603	18,816
Facility rentals	1,368	1,346	1,369	1,329	827	-	191	473	397	311
Picnic rentals	1,086	1,274	1,340	1,423	1,165	361	1,650	1,608	1,676	2,897
Police:										
Arrests	3,311	2,947	2,670	2,496	2,112	2,242	2,231	2,106	2,255	2,104
Traffic violations	6,548	4,470	13,364	11,058	5,999	9,400	7,636	7,853	7,487	8,163 (1)
Parking violations	30,699	31,950	27,103	27,410	23,300	36,558	32,276	65,102	60,279	54,735
Public works:										
Street resurfacing (lane miles)	14	4	6	22	7	18	9	42.3	6.8	2.8
Potholes repaired	198	315	150	297	209	331	744	774	557	408
Sewer:										
Number of customers	27,816	27,965	27,961	28,237	28,366	28,359	28,359	28,359	28,494	28,502
Average daily sewage treatment (mgd)	10.0	12.2	10.4	11.5	9.9	9.7	10.6	13.0	13.0	11.3

Notes:

- (1) Number of traffic violations starting fiscal year 2018 included number of photo enforcement violations. Such information was not available for prior years.
- (2) Number of fire calls for fiscal year 2019 included calls for period from 7/1/18 to 1/12/19. Fire operation was transferred to San Mateo Consolidated Fire Department (SMC Fire) effective 1/13/2019. Please refer to SMC Fire annual financial report for Fire Department operating indicators starting from January 2019.
- (3) Due to shelter-in-place orders, all three San Mateo Public Library facilities were closed to the public from 3/16/20 through 6/30/20, and the golf course was completely closed from 3/16/20 through 5/5/20.

Source: Various City Departments

City of San Mateo
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire:										
Fire stations	6	6	6	6	6	6	6	6	6	6
Golf course:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1
Library:										
Main Library	1	1	1	1	1	1	1	1	1	1
Branch Library	2	2	2	2	2	2	2	2	2	2
Parks and recreation:										
Parks acreage	320	320	320	320	320	320	320	320	320	320
Parks	35	35	35	35	35	35	35	35	35	35
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	16	16	16	16	16	16	16	16	16	16
Community centers	6	6	6	6	6	6	6	6	6	6
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	36	37	37	37	40	40	40	40	40	40
Public works:										
Street (miles)	204	204	204	204	204	204	204	204	204	204
Street lights	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Traffic signals	84	86	87	87	87	90	90	90	90	90
Sewer:										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	236	260	260	260	260	260	260	260	260	260
Storm drains (miles)	140	148	148	148	148	148	148	148	148	148
Number of pump stations	35	37	37	37	37	37	37	37	37	37
Maximum daily treatment capacity (mgd)	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7

Source: Various City Departments

This page intentionally left blank.