

Annual Comprehensive Financial Report



CITY OF SAN MATEO
YEAR ENDING JUNE 30, 2024

City of San Mateo

San Mateo, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Prepared by
Finance Department

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
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January 21, 2025

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 (City) for the fiscal year ended June 30, 2024. 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, 2024, 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, 2024. The independent auditors' report is presented as the first component of the financial section of this report.

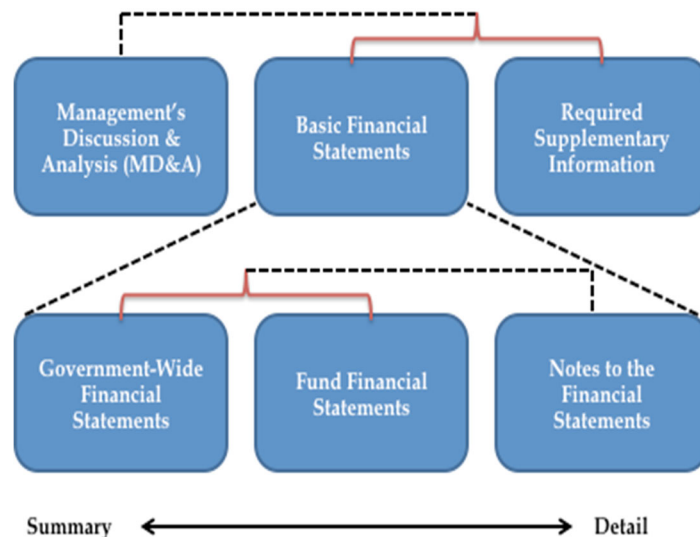
The analysis of the financial condition and the result of operations are in the Management's Discussion and Analysis (MD&A) section immediately following the auditors' report. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

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 other than the MD&A is also included in the financial section.
- The **Statistical** section includes selected financial and demographic information, presented on a multi-year basis.

Figure 1: 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 105,600 on January 1, 2024, making it the largest city in San Mateo County.

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 recently completed a transition from at-large elections to district elections, beginning in the November 2022 election, where three of the five districts were open. The remaining two districts completed the first district elections in November 2024. 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.

Figure 2: Map



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 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, Fisher Investments, Sony Interactive Entertainment (Sony PlayStation), Roblox, SurveyMonkey, NetSuite, and GoPro. 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 experience, 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 13 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 FY 2023-24 fiscal year reached \$35.4 billion—a 5.5% increase from the previous year. This growth reflects ongoing demand for residential and commercial properties in the area.

However, recent economic conditions have introduced new challenges. In response to high inflation, the Federal Reserve (Fed) has implemented a series of interest rate hikes over the past two years, raising the Federal Funds Rate. Consequently, average 30-year mortgage rates were elevated to 7% (chart 1). The high borrowing costs have cooled the real estate market. Although inflation is easing, the Fed has only implemented three rate cuts in recent months and plans to slow rate cuts in 2025. With this outlook, borrowing costs are expected to remain elevated in the near term.

Despite these uncertainties, the housing market is somewhat stabilizing, with San Mateo’s median home prices rebounding to \$2.2 million (chart 2) in 2024, supported by continued demand and limited housing supply.

Chart 1 – 30-Year Fixed Rate Mortgage Average

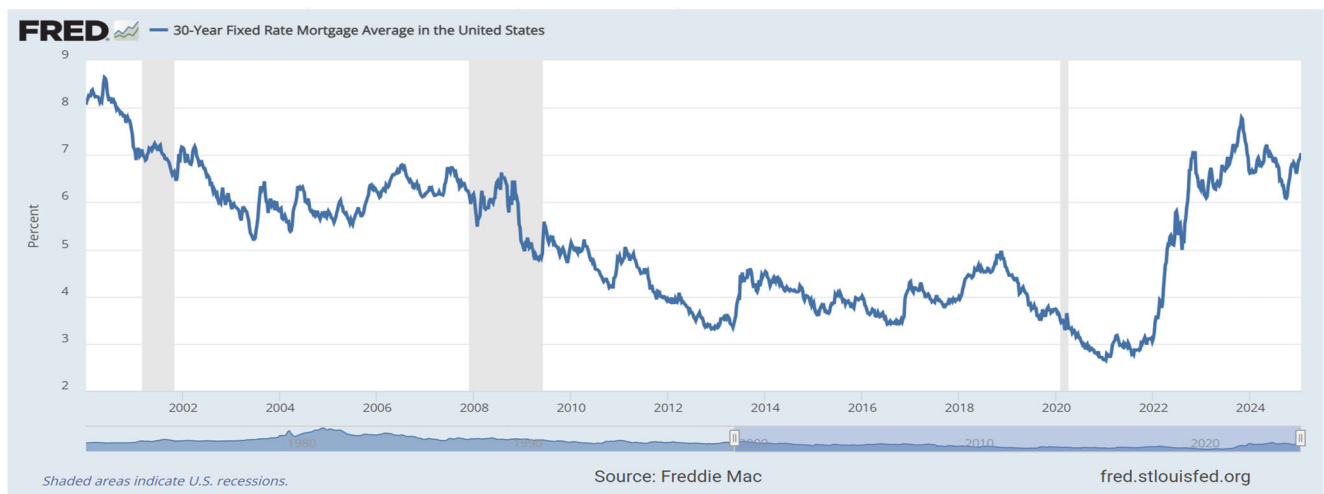


Chart 2 – Real Estate Metrics – Single Family Residential, City of San Mateo

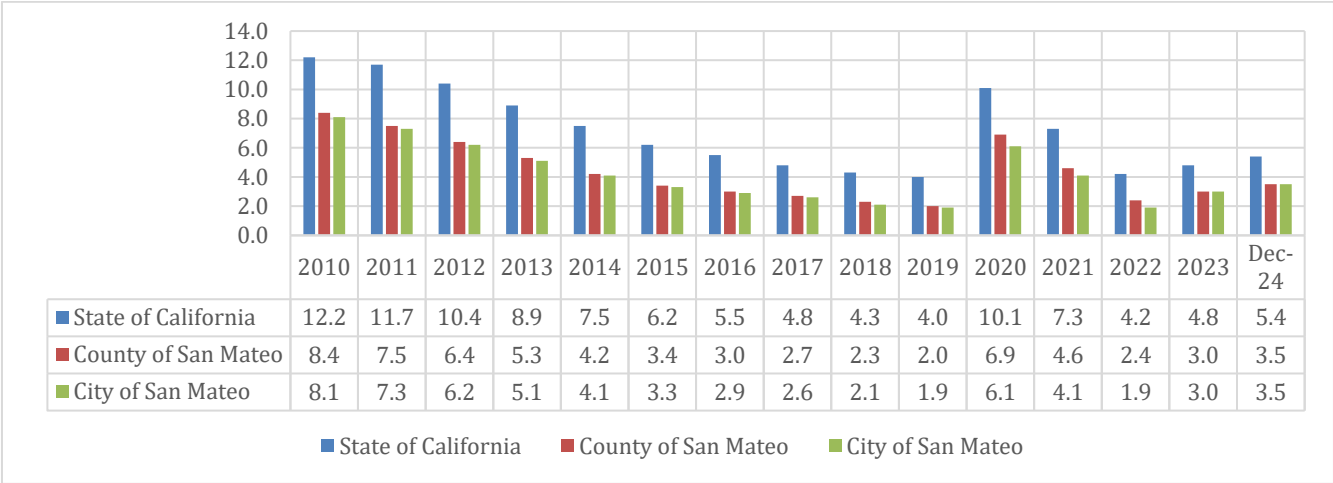


Source of information: San Mateo County Association of Realtors

Labor Market

San Mateo's labor market remains robust. As of December 2024, the City's unemployment rate stood at 3.5% (chart 3), matching San Mateo County's rate (3.5%) and was much better than the State's rate (5.4%). Nationally, the U.S. unemployment rate stood at 4.1% in December 2024, a modest uptick from the prior year.

Chart 3 - Unemployment Rates



Source of information: EDD

Fiscal Implications and Strategic Considerations

Property tax revenues, a core funding source for City services, may experience slower growth due to pressures on the housing market from high interest rates. Additionally, rising labor and operational costs could challenge the City's ability to maintain service levels. These conditions will continue to be closely monitored going forward. Proactive financial oversight and strategic planning will ensure the City remains well-positioned to adapt to evolving economic conditions.

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 ¼ cent general sales tax. With this tax set to expire April 2018, the voters again demonstrated their confidence in the City's financial management by voting in November 2015, approving Measure S to extend the tax until 2048 to fund critical infrastructure and enhancements to public safety services. San Mateo voters approved 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 63 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 City Council's budget policy for the use of reserves varies depending on the reserve type, but generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, severe economic downturns, or natural disasters. The policy further states that use of reserves should be combined with structural changes to bring the budget back into balance.

The General Fund reserve policy adopted by the City Council seeks to reflect three months of General Fund budgeted operating expenditures, or 25 percent. At the close of FY 2023-24, the General Fund balance was increased from \$117.9 million to \$118.0 million, of which \$0.6 million was restricted for debt services, \$11.4 million was assigned for specific purposes, and \$105.7 million was unassigned. The unassigned fund balance includes the 25% operating reserve, housing reserve, and rainy-day reserve.

The Sewer Fund has unrestricted net position of \$184.6 million, approximately 408% 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, 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, 2024, the City's general obligation bonded debt remaining balance of \$14.0 million, including unamortized bond premium, amounted to 0.25% of the \$5.6 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, 2024, 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 \$16.3 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 monthly 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. Building on strategies developed during the Great Recession, the City has successfully accumulated substantial reserves to better position its General Fund to be prepared for economic retraction 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 within context of the immediate and severe financial impact from the pandemic.

Looking ahead, the City recognizes the need to balance financial stability with strategic investments in community services and infrastructure. To maintain this balance, the City will periodically assess reserve policies to ensure adequate savings while identifying opportunities to invest in community enhancements. The City will continue updating the General Fund's ten-year financial forecast to anticipate and address future fiscal challenges. The City also maintains a five-year capital improvement program to plan and prioritize critical infrastructure projects.

For General Fund operations, revenues and expenditures are being closely monitored, supported by a ten-year forecast to help the organization maintain a long-term focus and allow sufficient time for thoughtful course corrections in the event of a structural imbalance. Major General Fund revenues will be carefully tracked, 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, 2023. 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-fourth consecutive year that the City has received this award. A Certificate of Achievement is valid for one year only. We believe that this FY 2023-24 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 Acting 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,



Karen Huang
Finance Director

City of San Mateo City Council Members
2024



Lisa Diaz Nash
Mayor



Rob Newsom Jr.
Deputy Mayor



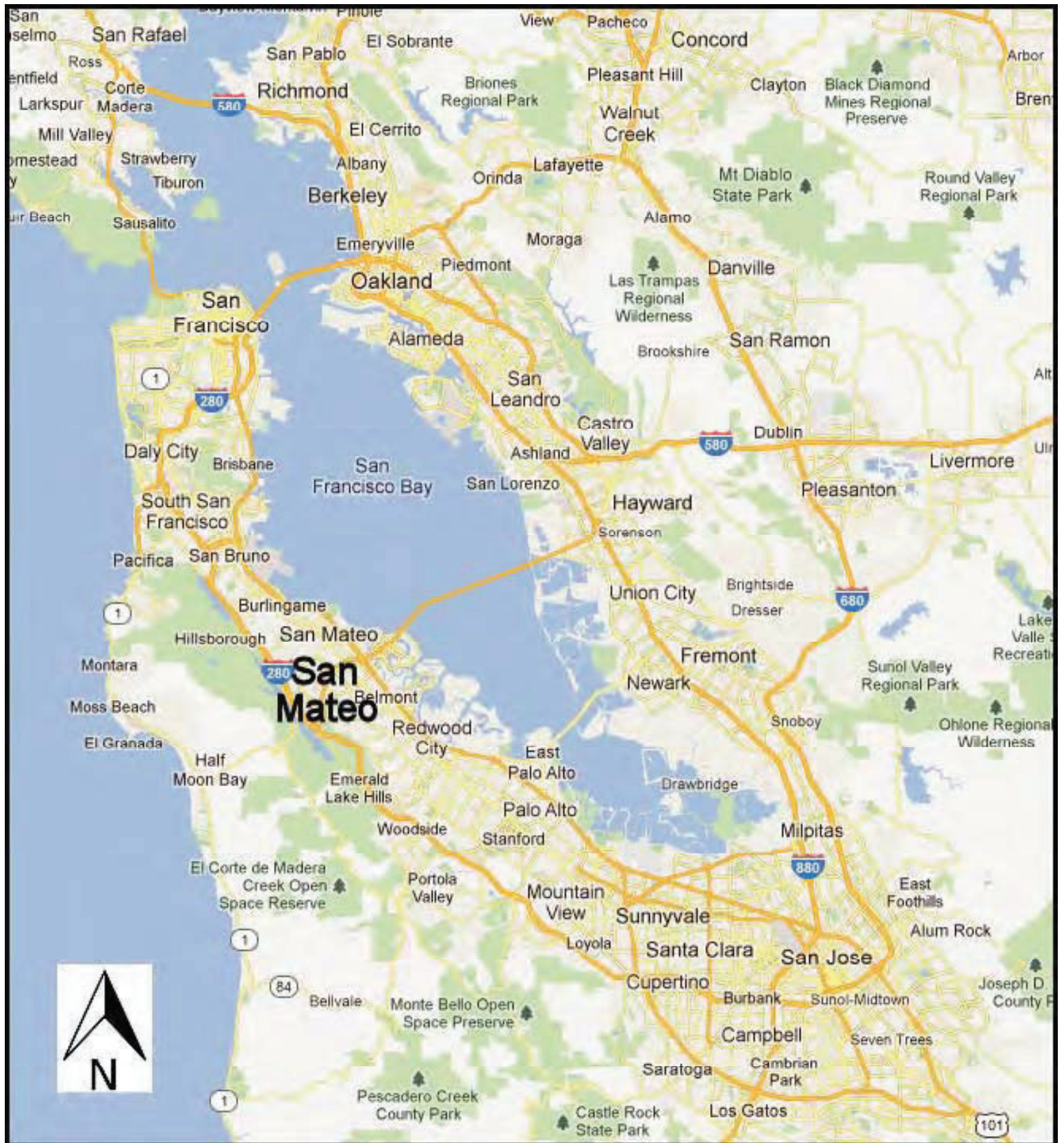
Adam Loraine
Council Member



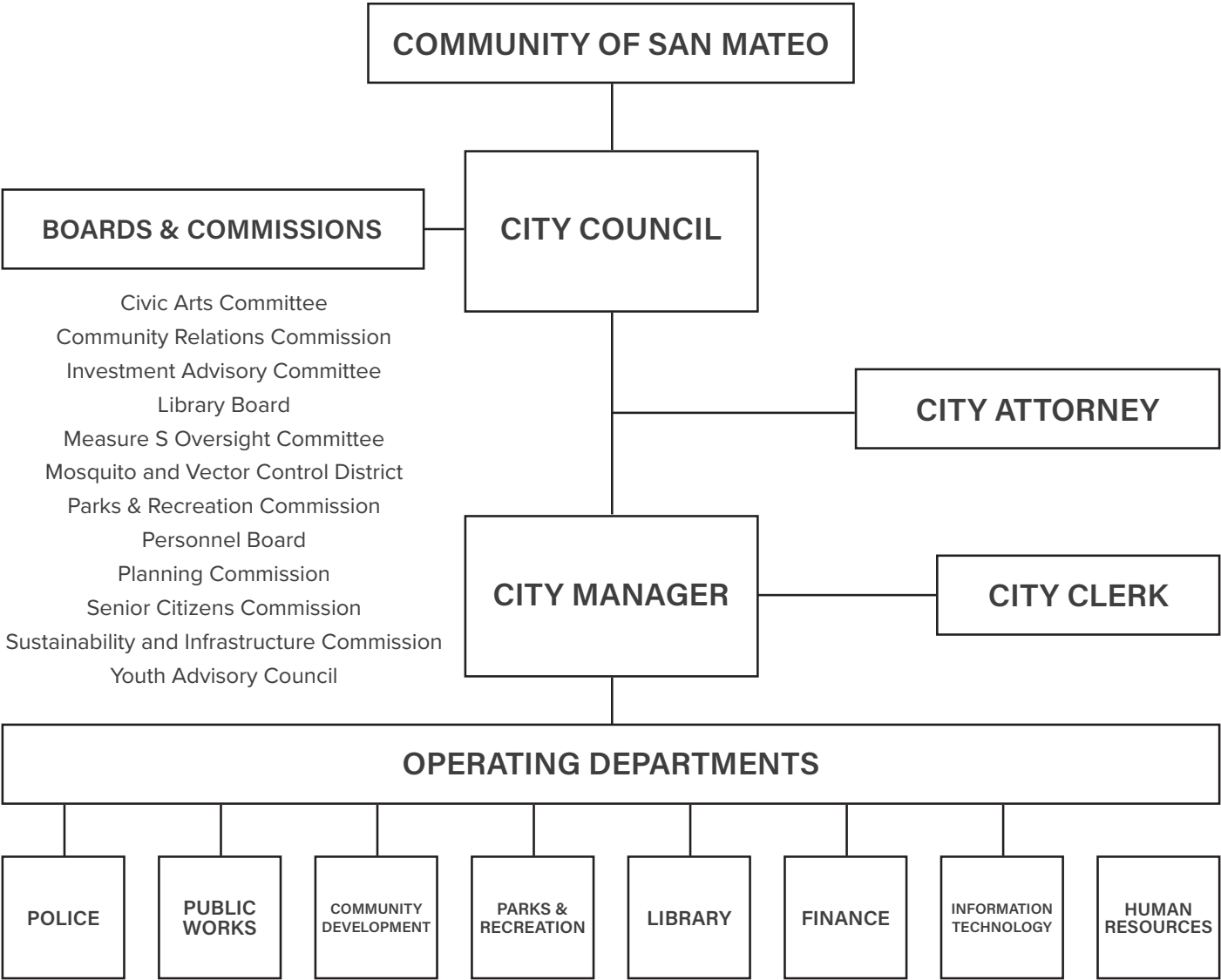
Rich Hedges
Council Member



Amourence Lee
Council Member



City Organizational Chart



City Council

Mayor	Lisa Diaz Nash
Deputy Mayor	Rob Newsom Jr.
Council Member	Adam Loraine
Council Member	Rich Hedges
Council Member	Amourance Lee
City Manager	Alex Khojikian
City Attorney	Prasanna Rasiah

Department Heads

Assistant City Manager	Christina Horrisberger
City Clerk	Martin McTaggart
City Librarian	James Moore
Community Development Director	Zach Dahl
Finance Director	Karen Huang
Interim Human Resources Director	Shawna Maltbie
Information Technology Director	Pete Owen
Parks and Recreation Director	Joanne Magrini
Police Chief	Ed Barberini
Public Works Director	Matt Fabry



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, 2023

Christopher P. Morrell

Executive Director/CEO

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INDEPENDENT AUDITORS' 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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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.

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 auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
January 21, 2025

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Management of the City of San Mateo (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, 2024. 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 \$860.8 million (net position), which is a \$73.5 million increase compared to the beginning net position. The total net position includes \$618.8 million in net investment in capital assets, \$111.2 million in restricted net position, and \$130.7 million in unrestricted net position.
- Total government-wide revenues from all sources were \$322.1 million experiencing a growth of \$16.9 million from the prior year. Total revenues for governmental activities grew \$18.1 million from the previous year largely due to increases in charges for services and improvements in investment earnings. Business-type activities saw a net decrease of \$1.2 million in revenues compared to the prior year primarily attributed to decrease in capital contributions from the sewer enterprise's regional customers.
- During the fiscal year, the City used a portion of WIFIA loan proceeds to defease the City's 2021 Wastewater Revenue Notes, Series B. The defeasance resulted in an increase of \$15.6 million in deferred gain on refunding compared to the prior fiscal year.
- Governmental funds reported combined fund balances of \$276.1 million, an increase of \$12.7 million or 4.8% in comparison with the prior year. Of the total fund balance, \$105.7 million is available for spending at the City's discretion (unassigned fund balance).
- The Enterprise Fund net position increased by \$54.7 million to \$390.6 million. Of this amount, \$184.6 million was unrestricted net position and available for use at the City's discretion.
- At June 30, 2024, the General Fund's total fund balance was \$118.0 million. The General Fund recorded \$170.0 million in total revenues, \$157.6 million in expenditures, and \$12.3 million in other financing uses, leading to a nearly breakeven fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 enterprise is the activity 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 30-33 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 25 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 of the General and Capital Projects funds, each of which is a major fund. Data for the other 19 governmental funds are combined into a single aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements, beginning on page 140 of this report. The basic governmental fund financial statements can be found on pages 39-42 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 one-year instead of two-year budget plans.

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 an enterprise fund to account for its Sewer 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. Data for the enterprise fund and all the internal service funds are combined into their respective single aggregated presentations. 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 45-49 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 are 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 53-54 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 61-123 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 concerning 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 in connection with non-major funds and internal services funds are also presented in this section. Required supplementary information can be found on pages 125-135 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 \$860.8 million.

The tables on the following pages present a summary and net changes of the City's net position as of June 30, 2024, and June 30, 2023.

STATEMENT OF ACTIVITIES

(Amounts in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenues:						
Program revenues:						
Charges for services	\$ 40.1	\$ 37.4	\$ 81.3	\$ 78.0	\$ 121.4	\$ 115.4
Operating grants and contributions	11.0	9.8	-	-	11.0	9.8
Capital grants and contributions	13.2	5.4	8.2	15.5	21.4	20.9
General revenues:						
Property taxes	81.3	83.3	-	-	81.3	83.3
Sales taxes	32.4	34.3	-	-	32.4	34.3
Property transfer taxes	8.6	7.4	-	-	8.6	7.4
Business, hotel & other taxes	15.0	16.4	-	-	15.0	16.4
Franchise taxes	3.4	3.6	-	-	3.4	3.6
Investment earnings & other revenue	17.4	6.7	10.2	7.4	27.6	14.1
Total revenues	222.4	204.3	99.7	100.9	322.1	305.2
Expenses:						
General government	27.8	28.6	-	-	27.8	28.6
Community development	14.3	16.8	-	-	14.3	16.8
Public safety	92.9	94.3	-	-	92.9	94.3
Public works	31.1	29.0	-	-	31.1	29.0
Parks and recreation	24.5	23.4	-	-	24.5	23.4
Library	10.6	9.4	-	-	10.6	9.4
Interest on long term debt	2.4	2.5	-	-	2.4	2.5
Sewer	-	-	45.0	41.8	45.0	41.8
Total expenses	203.6	204.0	45.0	41.8	248.6	245.8
Increase (decrease) in net position before transfers	18.8	0.3	54.7	59.1	73.5	59.4
Transfers	-	1.8	-	(1.80)	-	-
Total transfers	-	1.8	-	(1.80)	-	-
Change in net position	18.8	2.1	54.7	57.3	73.5	59.4
Net position - Beginning of Year	451.4	449.3	335.9	278.6	787.3	727.9
Net position - End of year	\$ 470.2	\$ 451.4	\$ 390.6	\$ 335.9	\$ 860.8	\$ 787.3

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

As of June 30, 2024, the City reported \$618.9 million (71.9%) in net position for its 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. 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 \$111.2 million (12.9%) 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 \$130.7 million in net position is unrestricted, representing 15.2% 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 increased by \$2.8 million, improving from a deficit balance of \$56.7 million to a deficit of \$53.9 million at June 30, 2024. The key factors of this increase included a reduction in claims payable based on the result of the latest actuarial valuation, one-time revenues from new development projects, and better-than-expected investment earnings. These increases were partially offset by increases in pension and OPEB liabilities. While the unrestricted net position improved, it remained in deficit, primarily due to the net pension liabilities of \$269.0 million and net OPEB liabilities of \$9.5 million.
- In business-type activities, unrestricted net position increased by \$20.5 million, rising from \$164.1 million in the prior year to \$184.6 million as of June 30, 2024. This increase was primarily driven by net income from the Sewer Fund operations.

The City's overall net position increased \$73.5 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)

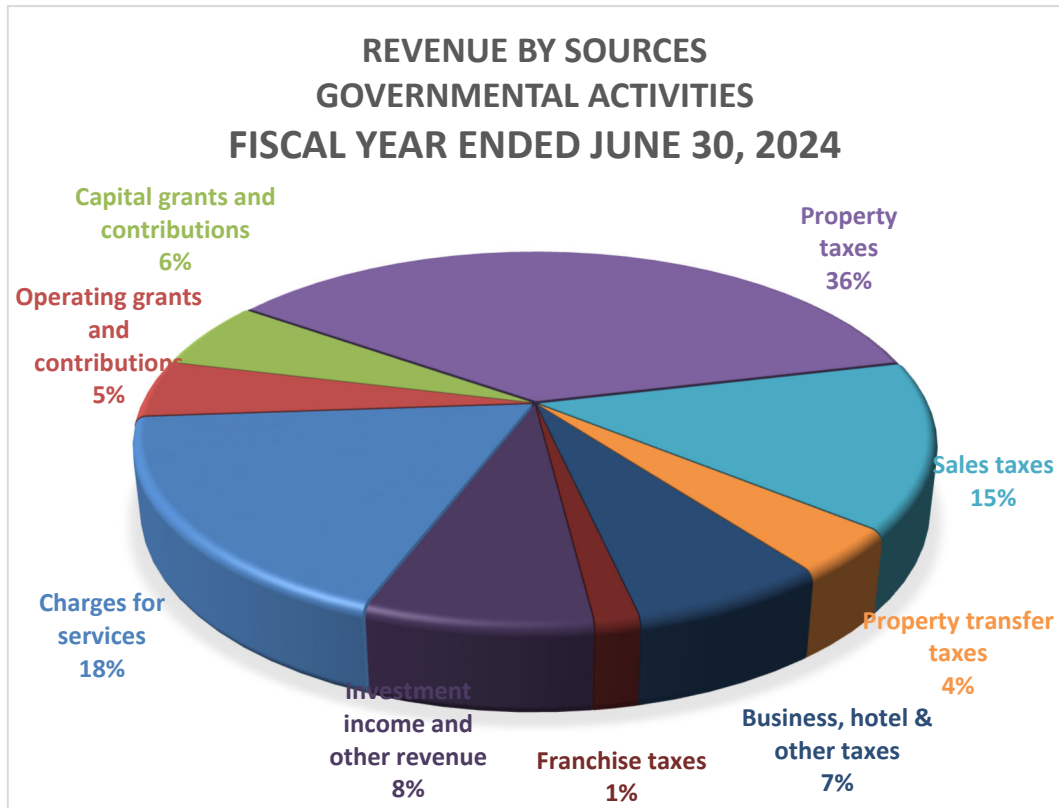
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenues:						
Program revenues:						
Charges for services	\$ 40.1	\$ 37.4	\$ 81.3	\$ 78.0	\$ 121.4	\$ 115.4
Operating grants and contributions	11.0	9.8	-	-	11.0	9.8
Capital grants and contributions	13.2	5.4	8.2	15.5	21.4	20.9
General revenues:						
Property taxes	81.3	83.3	-	-	81.3	83.3
Sales taxes	32.4	34.3	-	-	32.4	34.3
Property transfer taxes	8.6	7.4	-	-	8.6	7.4
Business, hotel & other taxes	15.0	16.4	-	-	15.0	16.4
Franchise taxes	3.4	3.6	-	-	3.4	3.6
Investment earnings & other revenue	17.4	6.7	10.2	7.4	27.6	14.1
Total revenues	222.4	204.3	99.7	100.9	322.1	305.2
Expenses:						
General government	27.8	28.6	-	-	27.8	28.6
Community development	14.3	16.8	-	-	14.3	16.8
Public safety	92.9	94.3	-	-	92.9	94.3
Public works	31.1	29.0	-	-	31.1	29.0
Parks and recreation	24.5	23.4	-	-	24.5	23.4
Library	10.6	9.4	-	-	10.6	9.4
Interest on long term debt	2.4	2.5	-	-	2.4	2.5
Sewer	-	-	45.0	41.8	45.0	41.8
Total expenses	203.6	204.0	45.0	41.8	248.6	245.8
Increase (decrease) in net position before transfers	18.8	0.3	54.7	59.1	73.5	59.4
Transfers	-	1.8	-	(1.80)	-	-
Total transfers	-	1.8	-	(1.80)	-	-
Change in net position	18.8	2.1	54.7	57.3	73.5	59.4
Net position - Beginning of Year	451.4	449.3	335.9	278.6	787.3	727.9
Net position - End of year	\$ 470.2	\$ 451.4	\$ 390.6	\$ 335.9	\$ 860.8	\$ 787.3

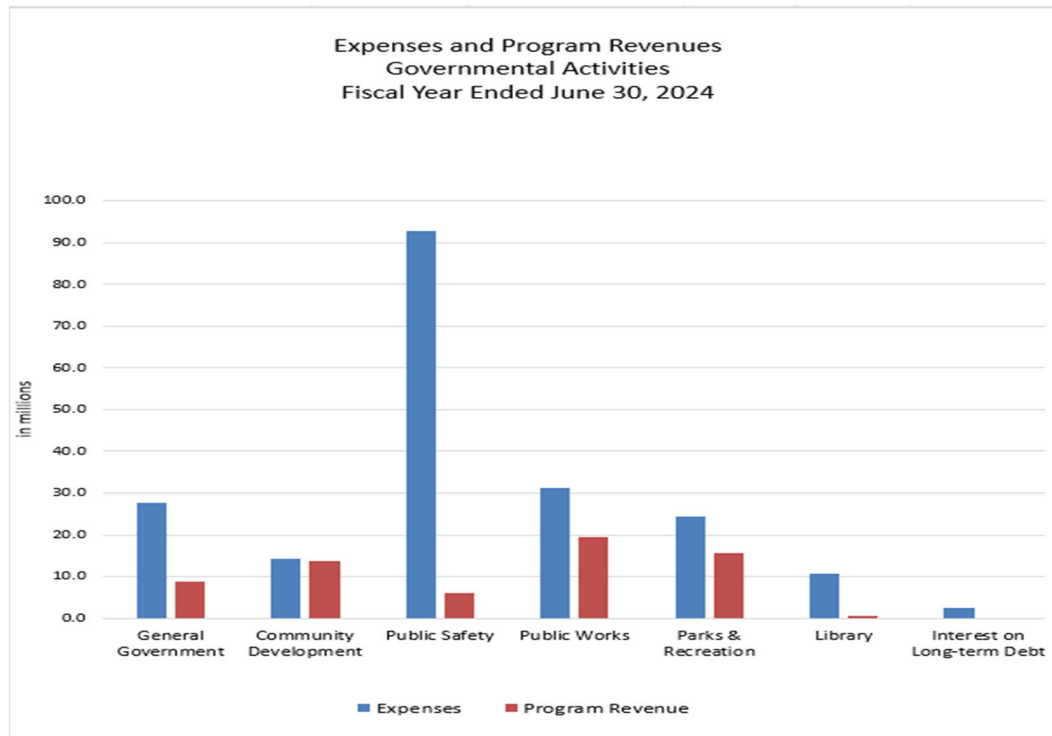
GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's total net position by \$18.8 million. Key elements contributing to the increase are described below.

- Overall, total revenues from governmental activities were \$222.4 million, a \$18.1 million increase compared to the prior fiscal year, primarily attributed to the higher investment returns and charges for services. For the same period, expenses totaled \$203.6 million, a decrease of \$0.4 million from prior year.
- Property tax revenues in the governmental funds totaled \$81.3 million, a decrease of \$2.0 million or 2.4%. 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 62.6% of all property tax revenues and increased by \$2.2 million compared to the prior fiscal year, driven by new developments and reassessment of sold properties. However, this increase was offset by a decrease in VLF revenue. For fiscal year 2023-24, VLF owed to the City was \$15.7 million, but only \$9.1 million was received, resulting in a VLF shortfall of \$6.6 million. The County of San Mateo has filed a claim with the State of California in August 2024 for VLF shortfall backfill in the State's 2025-26 budget. Due to a two-year gap, the City received \$1.9 million of the 2021-22 VLF shortfall in the fiscal year 2023-24, bring the total VLF revenue to \$11.0 million, a decrease of \$5.4 million from the prior year.
- Real property transfer tax revenues totaled \$8.6 million, an increase of \$1.2 million from \$7.4 million in the previous year. While real property transfer tax revenues have declined over the last two years due to high interest rates, 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 fiscal year 2023-24, for the first time since its passage, the City received \$0.9 million Measure CC revenue, which was the primary driver of the increase of the total real property transfer tax revenues.
- The City recorded \$32.4 million in sales tax revenues, a decrease of \$1.9 million (or 5.5%) compared to the prior fiscal year. This decline was partially due to decreases in auto sales, and a reduction in sales tax allocation from the County pool.
- Transient occupancy tax (TOT) revenues decreased from \$7.1 million in the prior year to \$6.2 million in 2023-24, primarily due to the closure of the Marriott Hotel. Of the \$6.2 million in total TOT revenues, \$5.3 million was recorded in the General Fund and the remaining in the 2% Hotel Tax Fund.
- The City's governmental activities accounted for \$40.1 million in charges for services revenue, which was an increase of \$2.7 million (or 7.2%) compared to the prior fiscal year, primarily in parks and recreation, community development, and public works. This reflects the return of the program revenues to normal operational levels.

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





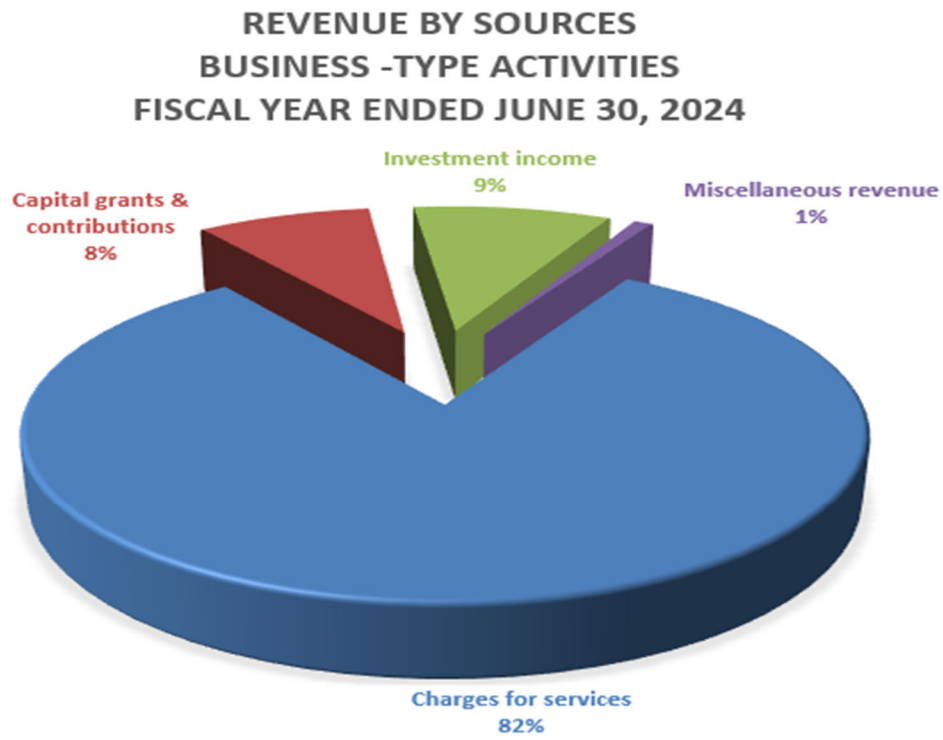
The cost of all governmental activities for the fiscal year ended June 30, 2024, was \$203.6 million. Some of the costs were paid by those directly benefiting from the programs (\$40.1 million), by other governments and organizations which subsidized programs with operating grants and contributions (\$11.0 million), or capital grants and contributions (\$13.2 million).

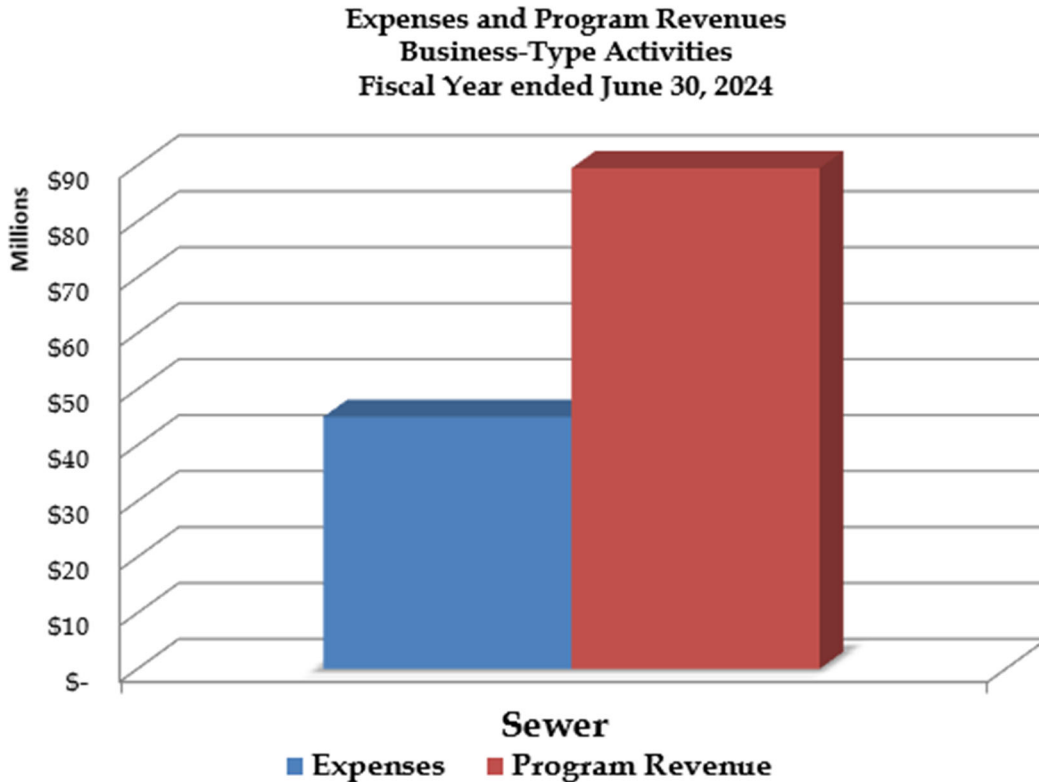
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$54.7 million. Key elements contributing to the increase are described below.

- Total program revenues of \$99.7 million, a reduction of \$1.2 million from the prior year. This was primarily due to a \$7.3 million decrease in capital grants and contributions, which was partially offset by a \$3.3 million increase in charges in services.
- Charges for services increased by \$3.3 million to \$81.3 million in 2023-24, from \$78.0 million in the prior year, primarily due to a 3% increase in the City's sewer service rates.
- The \$7.3 million decrease in capital grants and contributions was primarily due to the Interim Capital Cost Agreement between the City of San Mateo and the Town of Hillsborough for the latter's share of 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 amount due from the Town of Hillsborough is recognized as revenue although it will be paid over 30 years (discounted by the percentage of project completion). During the current fiscal year, the City recognized \$6.1 million capital contribution due from the Town of Hillsborough compared to \$10.7 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 and transfers out for the fiscal year ended June 30, 2024 were \$45.0 million, an increase of \$1.4 million or 3.2%, 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 \$133.4 million, a reduction of \$5.0 million compared to \$138.4 million in the prior year, mainly due to investment in capital improvement projects. Higher investment income and increase in business-type activities charges for services, were the primary driver 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 increased from \$534.7 million to \$613.7 million, reflecting increased Sewer capital projects construction activities for the sewer collection and treatment systems during the fiscal year.

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, 2024, the City's governmental funds combined ending fund balance was \$276.1 million, which was an increase of \$12.7 million from the prior fiscal year. Of the total fund balances, \$105.7 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 \$105.7 million, while the total fund balance was \$118.0 million. As a measure of liquidity, both unassigned fund balance and total fund balance can be compared to total fund expenditures. Unassigned fund balance and total fund balance represent approximately 67.1% and 74.9% of total General Fund expenditures of \$157.6 million, respectively. The City Council policy goal is to have reserves of at least three months of budgeted operating expenditures. The adopted 2023-24 budget for General Fund expenditures (excluding transfers out) was \$157.5 million, therefore the minimum amount of General Fund reserves required for compliance with the reserves policy in 2023-24 was \$39.4 million.

While the City's unassigned fund balance is above the policy goal, the uncertainties of the future trends of the TOT recovery, VLF shortfall, and the impact of CalPERS investment performance on the City's pension contributions will likely result in a significant draw down on the General Fund's Rainy-Day Reserve, which is included as part of the unassigned fund balance.

Governmental funds revenues, expenditures, and change in fund balances for the last ten fiscal year 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 by increasing the Federal Funds Rate, which ultimately increases the City's investment earnings, but as interest rates climb higher, the GASB 31 fair market value adjustment may be negative. Conversely, if the City issues debt during this time, it will incur greater interest expense.
- The increased cost to borrow money, which places pressure on the prospective home buyers, will likely 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 the majority of tax revenues. In FY 2023-24, General Fund total revenues increased by \$6.4 million or 3.9% to \$170.0 million. Major revenues include:

Property Tax

Property tax remains the City's largest and most stable revenue source, generating \$78.6 million in FY 2023-24, \$2.0 million less than the prior fiscal year. Although secured property tax continued to grow, decline was due to the shortfall in Vehicle License Fee (VLF) in-lieu property tax revenue.

Sales Tax

Sales tax revenue, the second largest revenue, decreased by \$1.8 million (6.1%) to \$27.8 million. The decrease was primarily due to reduced auto sales and 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 \$25.9 million in FY 2023-24, reflecting a slight decrease of \$0.2 million from the previous year. TOT generated \$5.3 million, RPTT \$8.7 million, business tax \$8.5 million, and franchise and other taxes \$3.4 million. TOT revenue declined due to the Marriot Hotel closure. This decrease was partially offset by a \$1.2 million (16%) increase in RPTT, which was primarily attributed to Measure CC.

Investment Income

Investment income saw the largest growth, increased by \$8.1 million -- from \$0.4 million to \$8.5 million -- due to higher yields and mark-to-market unrealized gain as of June 30, 2024.

Charges for Services

Revenues from charges for services increased by \$1.8 million (13.0%) to \$15.6 million, primarily due to stronger revenues from encroachment permits, golf operations and recreation programs.

Expenditures

General Fund expenditures totaled \$157.6 million, increased by \$7.7 million (5.1%) compared to the prior year. The increase was due to negotiated labor cost increases and rising operating expenses linked to inflation.

Fund Balance

For FY 2023-24, the General Fund's total revenues (\$170.0 million) exceeded expenditures (\$157.6 million) by \$12.4 million, before \$12.3 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 \$0.1 million, increasing the General Fund balance to \$118.0 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 FY 2023-24, the fund has a fund balance of \$58.8 million, increasing by \$4.6 million (8.5%) from the prior fiscal year. Total expenditures were \$26.8 million, funding various capital projects, including \$11.8 million for the citywide street rehabilitation and reconstruction program, \$1.7 million for storm and flood control improvements, \$2.6 million for parks projects, and \$7.9 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.

Construction Services Fund

The Construction Services Fund was established to account for building permit revenue and expenditures for activities relating to private development projects. In FY 2023-24, the Construction Services Fund no longer met the criteria to be reported as a major fund. The change resulted in adjustments to and a restatement of beginning fund balance. Further details were provided in the notes to the basic financial statements on page 122 of this report.

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.

Enterprise Fund

The City has a sewer enterprise operation. Total enterprise fund net position was \$390.6 million, an increase of \$54.7 million, or 16.3%, over the prior fiscal year.

The unrestricted net position of the Sewer Enterprise Fund at the end of the fiscal year was \$184.6 million, an increase of \$20.5 million from the prior fiscal year. This is due primarily to the scheduled rate increase and capital contributions for CIP projects. The scheduled rate increase ensure the Sewer Enterprise 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.

Internal Service Funds

The internal service funds' total net position of \$25.5 million increased by \$10.0 million or 64.5% from the prior year. The unrestricted net position at the end of the year was \$18.4 million, or 72.2% of total net position. The current year's decrease in total net position of the internal service funds is due to a variety of factors that are discussed in more detail below.

Workers' Compensation Insurance Fund's net position increased by \$1.2 million to \$7.6 million. Revenue from charges for services is set 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 Fund ended the fiscal year with a net position of \$0.9 million, a slight decrease of \$0.1 million compared to the prior year. The Benefits Fund's ending net position was \$1.1 million, an increase of \$0.5 million compared to the prior year.

The Comprehensive Liability Insurance Fund's ending net position was negative \$2.4 million, a significant improvement of \$9.6 million, primarily due to resolved litigations resulting in lower claims payable.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Vehicle and Equipment Replacement Fund ended fiscal year with a net position of \$18.1 million, a decrease of \$0.7 million or 3.7% 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 \$0.2 million, a decrease of \$0.6 million from the prior fiscal year. While the current collection rates remain adequate, an increase in recovery rates may deem necessary in future years to maintain the fund's long-term sustainability.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund adopted budget for FY 2023-24 reflected a \$12.6 million deficit. The final budget increased by \$6.0 million, raising the total deficit to \$17.3 million. However, by the close of FY 2023-24, 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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Results</u>	Variance from Final Budget Favorable (Unfavorable)
Resources:				
Revenues	156.9	157.1	170.0	12.9
Transfers in	7.2	7.2	7.2	-
Inception of subscription liability	-	1.1	1.1	-
Total resources	<u>164.1</u>	<u>165.4</u>	<u>178.3</u>	<u>12.9</u>
Charges to appropriations:				
Expenditures	157.5	160.4	157.5	2.9
Transfers out	19.2	22.3	20.7	1.6
Total charges	<u>176.7</u>	<u>182.7</u>	<u>178.2</u>	<u>4.5</u>
Net change in fund balance	<u>(12.6)</u>	<u>(17.3)</u>	0.1	<u>17.4</u>
Beginning fund balance			117.9	
Ending fund balance			<u>\$ 118.0</u>	

General Fund total resources - actual revenues and transfers in were \$12.9 million more than the final budgeted estimate, while total charges - actual expenditures and transfers out were \$4.5 million under the final budget. At the end of the fiscal year, the total fund balance of the General Fund was \$118.0 million, which was the same 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>
Property taxes	\$ 78.0	\$ 78.6	\$ 0.6
Sales taxes	31.2	27.8	(3.4)
Other taxes	23.5	25.9	2.4
Charges for services	12.8	15.6	2.8
Investment income	1.8	8.5	6.7
Parking Meter and Lease Revenue	2.0	3.2	1.2

Actual revenues outperformed estimates in most categories. Notably, investment income exceeded expectations by \$6.7 million, and charges for services brought in \$2.8 million more than estimated. Property taxes, other taxes, and parking meter and lease revenue also performed better than budget projections. However, sales taxes fell short by \$3.4 million largely due to decrease in auto and County pool allocation.

Actual expenditure and transfers out was \$4.5 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 investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$1.3 billion, which is \$91.6 million more than the prior year. This investment in capital assets includes 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 90-91 of this report.

CAPITAL ASSETS

(Amounts in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Non-depreciable assets:						
Land	\$ 52.1	\$ 52.1	\$ 4.0	\$ 4.0	\$ 56.1	\$ 56.1
Construction in progress	30.4	25.2	609.7	530.7	640.1	555.9
Total non-depreciable assets	82.5	77.2	613.7	534.7	696.2	611.9
Depreciable assets (net of depreciation/amortization):						
Building and improvements	108.6	112.0	-	-	108.6	112.0
Treatment plant & transmission lines	-	-	169.4	163.5	169.4	163.5
Machinery and equipment	9.2	8.6	1.1	1.1	10.3	9.7
Infrastructure	276.7	271.9	-	-	276.7	271.9
Leased Assets	0.4	1.0	-	0.1	0.4	1.1
Subscription Assets	5.1	5.0	-	-	5.1	5.0
Total depreciable/amortizable assets (net)	400.0	398.5	170.5	164.6	570.5	563.2
Total capital assets	\$ 482.5	\$ 475.7	\$ 784.2	\$ 699.3	\$ 1,266.7	\$ 1,175.1

LONG-TERM DEBT

At the end of the current fiscal year, the City had total long-term debt outstanding of \$700.7 million. Of this amount, \$14.0 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		Business-Type		Total	
	Activities		Activities		Primary Government	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
General Obligation Bonds	\$ 14.0	\$ 15.7	\$ -	\$ -	\$ 14.0	\$ 15.7
Revenue Bonds	16.5	17.6	318.6	619.1	335.1	636.7
Advance Payable to other Governments	48.3	49.7	-	-	48.3	49.7
Loans payable	3.7	4.3	295.5	-	299.2	4.3
Leases payable	0.4	1.1	-	0.1	0.4	1.2
Subscription Liability	3.7	3.5	-	-	3.7	3.5
Total outstanding debt	86.6	91.9	614.1	619.2	700.7	711.1

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 \$5.6 billion, and at June 30, 2024, the City was only at 0.25% 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 2024, San Mateo County's unemployment rate remains 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 has shown signs of slowing during FY 2023-24 due to the sustained high-interest rate environment. While property sales activity has cooled, the median home price in San Mateo has remained stable and even shown increases, demonstrating the City housing market's resilience and strength. Near the end of FY 2023-24, 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) revenue as a result.

General Fund

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

The General Fund is projecting a budget deficit in FY 2024-25, with \$169.8 million in total revenues (including transfers in) and \$180.4 million in expenditures (including transfers out), resulting in a deficit of \$10.6 million.

The adopted FY 2024-25 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.

Due to proactive financial planning, the City maintains a healthy General Fund reserve, with over \$118.0 million as of June 30, 2024. This reserve offers the City 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 FY 2024-25 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 2024, City Council approved the five-year Capital Improvement Plan (CIP) and FY 2024-25 Capital Budget. The five-year CIP totals \$240.0 million, with \$65.2 million for 2024-25. New funding and major changes included: increases in funding for the Clean Water Program and the Sewer Collection System Rehabilitation Program, as well as new funding for the 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 FY 2024-25. 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 is scheduled to begin operations in 2025. The project has achieved significant milestones, with Phase 3 construction approximately 85% complete as of June 2024.

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of San Mateo
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 326,227,149	\$ 133,397,595	\$ 459,624,744
Accounts receivable, net	3,493,554	36,099,027	39,592,581
Interest receivable	2,210,243	643,703	2,853,946
Taxes receivable	7,925,136	-	7,925,136
Grants receivable	3,287,616	-	3,287,616
Leases receivable - current	485,582	-	485,582
Prepaid items, inventory, and deposits	908,933	-	908,933
Total current assets	<u>344,538,213</u>	<u>170,140,325</u>	<u>514,678,538</u>
Noncurrent assets:			
Restricted cash and investments	21,216,358	51,978,422	73,194,780
Investment in JPA	12,740,381	-	12,740,381
Leases receivable	9,546,992	-	9,546,992
Loans and notes receivable, net	3,893,484	38,999,057	42,892,541
Capital assets:			
Non-depreciable	82,476,143	613,717,839	696,193,982
Depreciable/amortizable, net	<u>400,058,126</u>	<u>170,526,248</u>	<u>570,584,374</u>
Total capital assets	<u>482,534,269</u>	<u>784,244,087</u>	<u>1,266,778,356</u>
Total noncurrent assets	<u>529,931,484</u>	<u>875,221,566</u>	<u>1,405,153,050</u>
Total assets	<u>874,469,697</u>	<u>1,045,361,891</u>	<u>1,919,831,588</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	699,287	-	699,287
Related to OPEB	4,543,847	674,767	5,218,614
Related to pensions	<u>52,666,966</u>	<u>4,950,503</u>	<u>57,617,469</u>
Total deferred outflows of resources	<u>57,910,100</u>	<u>5,625,270</u>	<u>63,535,370</u>

City of San Mateo
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	30,745,322	1,085,688	31,831,010
Retention payable	5,029,210	-	5,029,210
Accrued payroll	2,495,736	-	2,495,736
Deposits payable	13,266,409	1,057,256	14,323,665
Interest payable	573,808	6,722,343	7,296,151
Unearned revenue	5,652,816	-	5,652,816
Compensated absences - due within one year	910,640	121,123	1,031,763
Claims payable - due within one year	4,044,000	-	4,044,000
Landfill postclosure cost payable - due within one year	115,264	-	115,264
Long-term debt - due within one year	5,873,007	1,997,968	7,870,975
Total current liabilities	68,706,212	10,984,378	79,690,590
Noncurrent liabilities:			
Net OPEB liability	9,481,590	1,408,025	10,889,615
Net pension liability	269,036,271	18,451,401	287,487,672
Compensated absences - due in more than one year	7,367,905	979,997	8,347,902
Claims payable - due in more than one year	13,854,000	-	13,854,000
Landfill postclosure cost payable - due in more than one year	1,613,688	-	1,613,688
Long-term debt - due in more than one year	80,695,504	612,085,555	692,781,059
Total noncurrent liabilities	382,048,958	632,924,978	1,014,973,936
Total liabilities	450,755,170	643,909,356	1,094,664,526
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	-	16,156,892	16,156,892
Related to leases	9,222,294	-	9,222,294
Related to OPEB	1,783,054	264,788	2,047,842
Related to pensions	414,055	98,770	512,825
Total deferred inflows of resources	11,419,403	16,520,450	27,939,853
NET POSITION			
Net investment in capital assets	412,852,193	205,982,094	618,834,287
Restricted:			
Housing and economic development	11,827,816	-	11,827,816
Capital projects	54,867,835	-	54,867,835
Debt service	8,141,815	-	8,141,815
Other purposes	36,377,646	-	36,377,646
Total restricted	111,215,112	-	111,215,112
Unrestricted (deficit)	(53,862,081)	184,575,261	130,713,180
Total net position	\$ 470,205,224	\$ 390,557,355	\$ 860,762,579

City of San Mateo
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 27,773,248	\$ 6,755,941	\$ 1,658,225	\$ 241,646	\$ 8,655,812
Community development	14,269,937	12,636,122	1,189,784	-	13,825,906
Public safety	92,903,796	4,132,856	1,963,540	-	6,096,396
Public works	31,088,776	8,506,152	5,548,368	5,486,731	19,541,251
Parks and recreation	24,598,631	7,662,922	313,404	7,519,597	15,495,923
Library	10,598,001	381,127	330,136	-	711,263
Interest on long-term debt	2,407,407	-	-	-	-
Total governmental activities	203,639,796	40,075,120	11,003,457	13,247,974	64,326,551
Business-type activities:					
Sewer	45,059,021	81,333,394	-	8,179,541	89,512,935
Total business-type activities	45,059,021	81,333,394	-	8,179,541	89,512,935
Total primary government	\$ 248,698,817	\$ 121,408,514	\$ 11,003,457	\$ 21,427,515	\$ 153,839,486

City of San Mateo
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (19,117,436)	\$ -	\$ (19,117,436)
Community development	(444,031)	-	(444,031)
Public safety	(86,807,400)	-	(86,807,400)
Public works	(11,547,525)	-	(11,547,525)
Parks and recreation	(9,102,708)	-	(9,102,708)
Library	(9,886,738)	-	(9,886,738)
Interest on long-term debt	(2,407,407)	-	(2,407,407)
Total governmental activities	(139,313,245)	-	(139,313,245)
Business-type activities:			
Sewer	-	44,453,914	44,453,914
Total business-type activities	-	44,453,914	44,453,914
Total primary government	(139,313,245)	44,453,914	(94,859,331)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	81,331,244	-	81,331,244
Sales taxes	32,380,449	-	32,380,449
Property transfer taxes	8,634,762	-	8,634,762
Transient occupancy taxes	6,213,752	-	6,213,752
Business license taxes	8,531,756	-	8,531,756
Franchise taxes	3,403,374	-	3,403,374
Other taxes	230,617	-	230,617
Total taxes	140,725,954	-	140,725,954
Investment income	15,375,641	9,342,754	24,718,395
Miscellaneous revenue	2,010,153	848,548	2,858,701
Total general revenues and transfers	158,111,748	10,191,302	168,303,050
Change in net position	18,798,503	54,645,216	73,443,719
Net Position:			
Beginning of year	451,406,721	335,912,139	787,318,860
End of year	\$ 470,205,224	\$ 390,557,355	\$ 860,762,579

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FUND FINANCIAL STATEMENTS

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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.

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**City of San Mateo
Balance Sheet
Governmental Funds
June 30, 2024**

	Major Funds			
	General Fund	General Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 127,335,266	\$ 64,624,532	\$ 98,325,201	\$ 290,284,999
Restricted cash and investments held by fiscal agents	-	21,180,475	35,883	21,216,358
Accounts receivable, net	1,693,036	221,822	854,909	2,769,767
Interest receivable	2,210,243	-	-	2,210,243
Taxes receivable	6,878,649	241,779	804,708	7,925,136
Grants receivable	234,372	2,503,716	549,528	3,287,616
Leases receivable	10,032,574	-	-	10,032,574
Prepaid items, inventory, and deposits	304,759	-	-	304,759
Loans and notes receivable, net	-	373,357	3,520,127	3,893,484
Total assets	\$ 148,688,899	\$ 89,145,681	\$ 104,090,356	\$ 341,924,936
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,431,109	\$ 23,918,294	\$ 1,531,845	\$ 29,881,248
Retention payable	-	5,029,210	-	5,029,210
Accrued payroll	2,495,736	-	-	2,495,736
Deposits payable	12,892,520	-	260,875	13,153,395
Unearned revenues	1,689,899	1,335,343	2,627,574	5,652,816
Total liabilities	21,509,264	30,282,847	4,420,294	56,212,405
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	55,757	297,868	353,625
Related to leases	9,222,294	-	-	9,222,294
Total deferred inflows of resources	9,222,294	55,757	297,868	9,575,919
Fund Balances:				
Nonspendable	304,759	-	-	304,759
Restricted	550,000	32,211,408	99,372,194	132,133,602
Assigned	11,443,226	26,595,669	-	38,038,895
Unassigned	105,659,356	-	-	105,659,356
Total fund balances	117,957,341	58,807,077	99,372,194	276,136,612
Total liabilities, deferred inflows of resources, and fund balances	\$ 148,688,899	\$ 89,145,681	\$ 104,090,356	\$ 341,924,936

City of San Mateo
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	\$ 276,136,612
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.	353,625
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	482,534,269
Less: capital assets reported in Internal Service Funds	(7,117,646)
Total capital assets	475,416,623
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	(910,640)
Compensated absences - due in more than one year	(7,367,905)
Long-term debt - due within one year	(5,873,007)
Long-term debt - due in more than one year	(80,695,504)
Landfill postclosure cost payable - due within one year	(115,264)
Landfill postclosure cost payable - due in more than one year	(1,613,688)
Total long-term liabilities	(96,576,008)
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.	699,287
Investment in joint ventures are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.	12,740,381
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.	(573,808)
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	(269,036,271)
Net OPEB liability	(9,481,590)
	(278,517,861)
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	4,543,847
Deferred outflows of resources related to pensions	52,666,966
Total deferred outflows of resources	57,210,813
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	(1,783,054)
Deferred inflows of resources related to pensions	(414,055)
Total deferred inflows of resources	(2,197,109)
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.	25,512,669
Net Position of Governmental Activities	\$ 470,205,224

City of San Mateo
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		Formerly Major Fund		
	General Fund	General Capital Projects Fund	Construction Services Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 78,606,527	\$ -		\$ 2,724,717	\$ 81,331,244
Sales taxes	27,772,986	4,607,463		-	32,380,449
Other taxes	25,883,776	-		887,679	26,771,455
Licenses, building and other permits	97,101	40		7,248,749	7,345,890
Fines, forfeitures and penalties	3,024,160	-		218,732	3,242,892
Intergovernmental	3,066,664	2,875,692		7,580,131	13,522,487
Charges for services	15,607,445	-		5,571,332	21,178,777
Investment income	8,470,713	755,722		4,518,460	13,744,895
Assessments and garbage collection	-	537,912		2,359,848	2,897,760
Parking meter and lease revenue	3,199,677	-		-	3,199,677
Capital contributions	-	1,074,216		8,690,739	9,764,955
Other revenues	4,284,746	368,360		687,539	5,340,645
Total revenues	170,013,795	10,219,405		40,487,926	220,721,126
EXPENDITURES:					
Current:					
General government:					
City Council	319,813	-		-	319,813
City Manager	2,305,807	-		125,014	2,430,821
City Clerk	785,263	-		-	785,263
City Attorney	1,265,970	-		229,587	1,495,557
Finance	4,220,237	-		-	4,220,237
Information technology	3,979,491	-		123,895	4,103,386
Human resources	2,169,288	-		-	2,169,288
Community development	1,729,511	-		12,132,829	13,862,340
Public safety:					
Police	59,056,241	-		960,900	60,017,141
Fire	27,509,727	-		-	27,509,727
Public works	10,831,430	-		4,775,586	15,607,016
Parks and recreation	21,136,909	-		-	21,136,909
Library	8,619,895	-		-	8,619,895
Non-departmental	9,678,356	-		289,750	9,968,106
Capital outlay	1,386,609	26,110,259		118,568	27,615,436
Debt service:					
Principal	2,353,226	607,946		2,995,000	5,956,172
Interest and fiscal charges	249,630	37,694		2,519,507	2,806,831
Total expenditures	157,597,403	26,755,899		24,270,636	208,623,938
REVENUES OVER (UNDER) EXPENDITURES	12,416,392	(16,536,494)		16,217,290	12,097,188
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of property	21,354	-		-	21,354
Inception of subscription liability	1,076,231	-		-	1,076,231
Transfers in	7,247,433	21,157,125		2,691,887	31,096,445
Transfers out	(20,683,288)	-		(10,909,609)	(31,592,897)
Total other financing sources (uses)	(12,338,270)	21,157,125		(8,217,722)	601,133
NET CHANGE IN FUND BALANCES	78,122	4,620,631		7,999,568	12,698,321
FUND BALANCES:					
Beginning of year, as previously reported	117,879,219	54,186,446	32,627,760	58,744,866	263,438,291
Change with financial reporting entity (major to non major fund)	-	-	(32,627,760)	32,627,760	-
Beginning of year, as restated (Note 19)	117,879,219	54,186,446	-	91,372,626	263,438,291
End of year	<u>\$ 117,957,341</u>	<u>\$ 58,807,077</u>	<u>\$ -</u>	<u>\$ 99,372,194</u>	<u>\$ 276,136,612</u>

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 12,698,321
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 \$1,788,474 added in internal service funds) (\$1,159,807 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	28,070,051
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 \$1,135,439, was not reported as expenditures in the Governmental Funds.	(21,642,987)
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).	(589,635)
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	5,956,172
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.	31,129
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.	(60,079)
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.	(284,711)
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.	68,591
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.	255,799
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	(8,322,107)
Changes in net pension liabilities	(7,902,472)
Changes in pension related deferred inflows of resources	761,612
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	2,913,166
Changes in total OPEB liabilities	(2,143,918)
Changes in OPEB related deferred inflows of resources	(321,635)
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.	10,019,142
Change in Net Position of Governmental Activities	\$ 18,798,503

Proprietary Funds Financial Statements

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

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.

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City of San Mateo
Statement of Net Position
Proprietary Funds
June 30, 2024

	Major Fund	Governmental Activities
	Sewer Fund	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 133,397,595	\$ 35,942,150
Accounts receivable, net	36,099,027	723,787
Interest receivable	643,703	-
Prepaid items, inventory, and deposits	-	604,174
Total current assets	<u>170,140,325</u>	<u>37,270,111</u>
Noncurrent assets:		
Restricted cash and investments	51,978,422	-
Loans and notes receivable, net	38,999,057	-
Capital assets:		
Non-depreciable	613,717,839	-
Depreciable, net	<u>170,526,248</u>	<u>7,117,646</u>
Total capital assets	<u>784,244,087</u>	<u>7,117,646</u>
Total noncurrent assets	<u>875,221,566</u>	<u>7,117,646</u>
Total assets	<u><u>1,045,361,891</u></u>	<u><u>44,387,757</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	674,767	-
Related to pensions	<u>4,950,503</u>	<u>-</u>
Total deferred outflow of resources	<u><u>5,625,270</u></u>	<u><u>-</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,085,688	864,074
Deposits payable	1,057,256	113,014
Interest payable	6,722,343	-
Compensated absences - due within one year	121,123	-
Claims payable - due within one year	-	4,044,000
Long-term debt - due within one year	<u>1,997,968</u>	<u>-</u>
Total current liabilities	<u>10,984,378</u>	<u>5,021,088</u>
Noncurrent liabilities:		
Net OPEB liability	1,408,025	-
Net pension liability	18,451,401	-
Compensated absences - due in more than one year	979,997	-
Claims payable - due in more than one year	-	13,854,000
Long term debt - due in more than one year	<u>612,085,555</u>	<u>-</u>
Total noncurrent liabilities	<u>632,924,978</u>	<u>13,854,000</u>
Total liabilities	<u><u>643,909,356</u></u>	<u><u>18,875,088</u></u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	16,156,892	-
Related to OPEB	264,788	-
Related to pensions	<u>98,770</u>	<u>-</u>
Total deferred inflows of resources	<u><u>16,520,450</u></u>	<u><u>-</u></u>
NET POSITION		
Net investment in capital assets	205,982,094	7,117,646
Unrestricted	<u>184,575,261</u>	<u>18,395,023</u>
Total net position	<u><u>\$ 390,557,355</u></u>	<u><u>\$ 25,512,669</u></u>

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City of San Mateo
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Major Fund	Governmental Activities
	Sewer Fund	Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 80,502,873	\$ 59,753,522
Connection fees	830,521	-
Other	848,548	10,579,772
Total operating revenues	82,181,942	70,333,294
OPERATING EXPENSES:		
Personnel services	12,850,005	46,124,609
Materials and supplies	14,555,427	15,138,472
Depreciation and amortization	5,635,414	1,271,051
Total operating expenses	33,040,846	62,534,132
OPERATING INCOME	49,141,096	7,799,162
NONOPERATING REVENUES (EXPENSES):		
Investment income	9,342,754	1,648,582
Gain (loss) on sale of capital assets	-	74,946
Interest expense	(12,018,175)	-
Total nonoperating revenues (expenses)	(2,675,421)	1,723,528
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	46,465,675	9,522,690
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions	7,860,150	-
Impact fees	319,391	-
Transfers in	-	1,410,000
Transfers out	-	(913,548)
Total capital contributions and transfers	8,179,541	496,452
Changes in net position	54,645,216	10,019,142
NET POSITION:		
Beginning of year	335,912,139	15,493,527
End of year	<u><u>\$ 390,557,355</u></u>	<u><u>\$ 25,512,669</u></u>

City of San Mateo
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Fund Sewer Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 64,454,315	\$ 59,759,772
Cash payments to suppliers for goods and services	(14,569,131)	(23,755,401)
Cash payments to employees for services	(11,962,401)	(46,236,108)
Cash received from others	848,548	10,579,772
Net cash provided by operating activities	38,771,331	348,035
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Interfund borrowing (lending)	-	87,868
Repayment of interfund borrowing (lending)	-	(87,868)
Transfers in	-	1,410,000
Transfers out	-	(913,548)
Net cash provided by noncapital financing activities	-	496,452
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Impact fees	319,391	-
Proceeds from sale of capital assets	-	95,291
Acquisition of capital assets, net	(82,613,901)	(2,247,489)
Proceeds from issuance of debt	295,479,360	-
Principal payment of long-term debt	(273,467,796)	-
Interest paid on debt and fiscal charges	(33,213,724)	-
Net cash (used in) capital and related financing activities	(93,496,670)	(2,152,198)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest from investments	9,473,027	1,648,582
Net cash provided by investing activities	9,473,027	1,648,582
Net change in cash and cash equivalents	(45,252,312)	340,871
CASH AND CASH EQUIVALENTS:		
Beginning of year	230,628,329	35,601,279
End of year	<u>\$ 185,376,017</u>	<u>\$ 35,942,150</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:		
Cash and cash investments	\$ 133,397,595	\$ 35,942,150
Restricted cash and investments	51,978,422	-
Total cash and cash equivalents	<u>\$ 185,376,017</u>	<u>\$ 35,942,150</u>

City of San Mateo
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Major Fund</u>	<u>Governmental</u>
	<u>Sewer</u>	<u>Activities</u>
	<u>Fund</u>	<u>Internal</u>
		<u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 49,141,096	\$ 7,799,162
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	5,635,414	1,271,051
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:		
Accounts receivable, net	(16,868,848)	6,250
Deferred outflows - OPEB related	(432,609)	-
Deferred outflows - pension related	314,507	-
Accounts payable	(13,704)	35,672
Deposits payable	(10,231)	47,900
Compensated absences	(7,205)	-
Claims payable	-	(8,812,000)
Net OPEB liability	318,374	-
Net pension liability	828,452	-
Deferred inflows - OPEB related	47,763	-
Deferred inflows - pension related	(181,678)	-
Total adjustments	<u>(10,369,765)</u>	<u>(7,451,127)</u>
Net cash provided by operating activities	<u><u>\$ 38,771,331</u></u>	<u><u>\$ 348,035</u></u>

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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.

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City of San Mateo
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds	Private Purpose Trust Funds
ASSETS		
Cash and investments	\$ 3,538,712	\$ 5,175,557
Restricted cash and investments with fiscal agent	3,579,205	1
Total assets	<u>7,117,917</u>	<u>5,175,558</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	-	113,013
Total deferred outflows of resources	<u>-</u>	<u>113,013</u>
LIABILITIES		
Accounts payable	147,115	3,188
Interest payable	-	710,209
Long-term debt - due within one year	-	4,270,000
Long-term debt - due in more than one year	-	33,100,992
Total liabilities	<u>147,115</u>	<u>38,084,389</u>
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	6,970,802	-
Held in trust for dissolution of RDA	-	(32,795,818)
Total net position (deficit)	<u>\$ 6,970,802</u>	<u>\$ (32,795,818)</u>

City of San Mateo
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds	Private Purpose Trust Funds
ADDITIONS:		
Fee collections for other governments	\$ 420,134	\$ -
Special assessments for other governments	4,940,334	-
Investment income	181,313	1,084
RDA property tax trust fund distribution	-	5,994,500
Total additions	<u>5,541,781</u>	<u>5,995,584</u>
DEDUCTIONS:		
Administration	74,357	23,188
Payments on conduit bonds - interest	3,724,713	-
Payments on conduit bonds - principal	1,357,527	-
Interest expense	-	1,252,679
Total deductions	<u>5,156,597</u>	<u>1,275,867</u>
Change in net position	385,184	4,719,717
NET POSITION (DEFICIT):		
Beginning of year	<u>6,585,618</u>	<u>(37,515,535)</u>
End of period	<u><u>\$ 6,970,802</u></u>	<u><u>\$ (32,795,818)</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of San Mateo
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For the Year Ended June 30, 2024

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City of San Mateo
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City of San Mateo
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City of San Mateo
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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.

Blended Component Units

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, 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, 2024

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, 2024

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

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.

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, 2024

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 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, 2024

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, 2024

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, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Leases (Continued)

Lessee (Continued)

- The lease term includes the noncancellable 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 noncancellable 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, 2024

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, 2024

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:

<u>Asset Type</u>	<u>Years</u>
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, 2024

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's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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. The General Fund is typically used to liquidate compensated absences. 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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Pension Plans (Continued)

The following timeframes are used for pension reporting:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

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, 2023
Measurement period	July 1, 2022 to June 30, 2023

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balances (Continued)

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

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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, 2024

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, 2024. 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. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this Statement had a moderate effect on the City’s financial statements for the fiscal year ended June 30, 2024.

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. 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. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

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. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Upcoming Government Accounting Standards Implementations (Continued)

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, 2024 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	\$ 326,227,149	\$ 133,397,595	\$ 459,624,744	\$ 8,714,269	\$ 468,339,013
Restricted cash and investments: Held by fiscal agents	21,216,358	51,978,422	73,194,780	3,579,206	76,773,986
Total cash and investments	\$ 347,443,507	\$ 185,376,017	\$ 532,819,524	\$ 12,293,475	\$ 545,112,999

Cash and investments at June 30, 2024, consisted of the following:

Cash on hand and deposits:	
Cash on hand	\$ 13,466
Deposits with financial institution	7,058,913
Total cash on hand and deposits	7,072,379
Investments:	
Local Area Investment Funds (LAIF)	21,015,655
CAMP	133,272,859
San Mateo County Pool	52,873,850
Investments	254,104,270
Total investments	461,266,634
Cash and investments with fiscal agent	76,773,986
Total cash and investments	\$ 545,112,999

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

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$7,058,913 at June 30, 2024. Bank balances were \$5,736,530 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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

C. Fair Value Measurement

At June 30, 2024, 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 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024.

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, 2024

Note 2 – Cash and Investments (Continued)

C. 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)	\$ 9,081,912	1.97%	\$ -	\$ 9,081,912	\$ -
Federal Home Loan Bank Bonds (FHLB)	30,824,853	6.68%	-	30,824,853	-
Federal Home Loan Mortg. Corp. (FHLMC)	4,263,437	0.92%	-	4,263,437	-
Federal Natl. Mortg. Assn. Notes (FNMA)	4,751,341	1.03%	-	4,751,341	-
US Treasuries	99,998,532	21.68%	-	99,998,532	-
Corporate Notes:					
Amazon.com Inc	2,325,844	0.50%	-	2,325,844	-
Apple Inc	705,069	0.15%	-	705,069	-
Bank of America Corp.	2,844,241	0.62%	-	2,844,241	-
Bank of Montreal	686,982	0.15%	-	686,982	-
Berkshire Hathaway	806,141	0.17%	-	806,141	-
Caterpillar Financial Service	2,944,028	0.64%	-	2,944,028	-
Charles Schwab Corp.	693,574	0.15%	-	693,574	-
Chubb INA Holdings Inc.	1,451,466	0.31%	-	1,451,466	-
Cisco Systems Inc.	1,189,790	0.26%	-	1,189,790	-
Duke Energy Carolinas LLC	1,923,080	0.42%	-	1,923,080	-
Guardian Life	1,544,775	0.33%	-	1,544,775	-
Home Depot Inc	1,690,101	0.37%	-	1,690,101	-
Honeywell Intl	2,216,156	0.48%	-	2,216,156	-
John Deere Capital Corp	1,978,757	0.43%	-	1,978,757	-
JP Morgan Chase & Co	924,024	0.20%	-	924,024	-
Mass Mutual	2,827,871	0.61%	-	2,827,871	-
Metlife	2,631,692	0.57%	-	2,631,692	-
Morgan Stanley	994,345	0.22%	-	994,345	-
National Rural Utilities	2,746,799	0.60%	-	2,746,799	-
New York Life Global	3,117,325	0.68%	-	3,117,325	-
Northwestern Mutual	1,979,833	0.43%	-	1,979,833	-
Paccar Financial Corp	1,287,388	0.28%	-	1,287,388	-
Prologis	2,617,131	0.57%	-	2,617,131	-
Realty Income Corp	2,138,252	0.46%	-	2,138,252	-
Royal Bank of Canada	3,049,571	0.66%	-	3,049,571	-
Target Corp	395,506	0.09%	-	395,506	-
Toronto-Dominion Bank	4,123,141	0.89%	-	4,123,141	-
Toyota Motor Credit Corp	2,308,032	0.50%	-	2,308,032	-
Truist Financial Corp	416,310	0.09%	-	416,310	-
United Health Group Inc	2,545,486	0.55%	-	2,545,486	-
Wal-Mart Stores	2,119,168	0.46%	-	2,119,168	-
Supranational	2,829,727	0.61%	-	2,829,727	-
Asset-Backed Securities	17,236,645	3.74%	-	17,236,645	-
Collateralized Mortgage Obligations	24,944,160	5.41%	-	24,944,160	-
Total investments subject to fair value	253,152,485		\$ -	\$ 253,152,485	\$ -
Investments not subject to the fair value hierarchy:					
Money Market Funds	951,785	0.21%			
Local Agency Investment Fund	21,015,655	4.56%			
California Asset Management Program	133,272,859	28.89%			
San Mateo County Pool	52,873,850	11.46%			
Total investments	\$ 461,266,634	100.00%			

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

D. 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, 2024, the City's deposits (bank balances) were collateralized under California Law.

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, 2024, the City had the followings investment (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments:

Issuer	Investment Type	Amount
Federal Home Loan Bank Bonds (FHLB)	Federal Agency Obligations	\$ 30,824,853

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, 2024

Note 2 – Cash and Investments (Continued)

D. 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)	\$ 9,081,912	\$ -	\$ -	\$ 4,679,222	\$ 4,402,690	\$ -
Federal Home Loan Bank Bonds (FHLB)	30,824,853	-	21,412,326	4,805,954	4,606,573	-
Federal Home Loan Mortg. Corp. (FHLMC)	4,263,437	-	1,416,638	1,429,120	1,417,679	-
Federal Natl. Mortg. Assn. Notes (FNMA)	4,751,341	-	480,858	2,857,115	-	1,413,368
US Treasuries	99,998,532	17,867,227	41,668,364	8,237,372	14,053,104	18,172,465
Corporate Notes:						
Amazon.com Inc	2,325,844	-	-	2,325,844	-	-
Apple Inc	705,069	705,069	-	-	-	-
Bank of America Corp.	2,844,241	-	1,933,942	910,299	-	-
Bank of Montreal	686,982	686,982	-	-	-	-
Berkshire Hathaway	806,141	-	806,141	-	-	-
Caterpillar Financial Service	2,944,028	1,500,355	1,443,673	-	-	-
Charles Schwab Corp.	693,574	-	-	693,574	-	-
Chubb INA Holdings Inc.	1,451,466	-	1,451,466	-	-	-
Cisco Systems Inc.	1,189,790	-	-	1,189,790	-	-
Duke Energy Carolinas LLC	1,923,080	-	-	-	-	1,923,080
Guardian Life	1,544,775	-	-	800,707	-	744,068
Home Depot Inc	1,690,101	-	1,690,101	-	-	-
Honeywell Intl	2,216,156	-	-	694,314	1,521,842	-
John Deere Capital Corp	1,978,757	-	-	995,740	-	983,017
JP Morgan Chase & Co	924,024	-	924,024	-	-	-
Mass Mutual	2,827,871	1,502,661	1,325,210	-	-	-
Metlife	2,631,692	-	1,144,460	-	-	1,487,232
Morgan Stanley	994,345	-	994,345	-	-	-
National Rural Utilities	2,746,799	1,775,043	-	-	-	971,756
New York Life Global	3,117,325	-	1,131,377	1,985,948	-	-
Northwestern Mutual	1,979,833	-	-	-	-	1,979,833
Paccar Financial Corp	1,287,388	-	-	1,287,388	-	-
Prologis	2,617,131	-	-	-	2,617,131	-
Realty Income Corp	2,138,252	-	482,109	1,656,143	-	-
Royal Bank of Canada	3,049,571	-	1,194,349	1,855,222	-	-
Target Corp	395,506	-	-	-	-	395,506
Toronto-Dominion Bank	4,123,141	1,323,600	2,799,541	-	-	-
Toyota Motor Credit Corp	2,308,032	-	-	2,308,032	-	-
Truist Financial Corp	416,310	-	-	416,310	-	-
United Health Group Inc	2,545,486	-	754,823	1,790,663	-	-
Wal-Mart Stores	2,119,168	-	170,540	-	1,948,628	-
Supranational	2,829,727	-	1,415,867	-	1,413,860	-
Asset-Backed Securities	17,236,645	2,997,824	5,168,137	4,553,777	1,069,296	3,447,611
Collateralized Mortgage Obligations	24,944,160	809,411	-	2,167,880	11,718,204	10,248,665
Money Market Funds	951,785	-	951,785	-	-	-
Local Agency Investment Fund	21,015,655	21,015,655	-	-	-	-
California Asset Management Program	133,272,859	133,272,859	-	-	-	-
San Mateo County Pool	52,873,850	52,873,850	-	-	-	-
Total investments	\$ 461,266,634	\$ 236,330,536	\$ 90,760,076	\$ 47,640,414	\$ 44,769,007	\$ 41,766,601

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

D. Risk Disclosure (Continued)

Disclosures Relating to Credit Risk (Continued)

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, 2024, 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)	Aaa	AA+
Federal Home Loan Bank Bonds (FHLB)	Aaa	AA+
Federal Home Loan Mortg. Corp. Notes (FHLMC)	Aaa	AA+
Federal National Mortg. Assn. Notes (FNMA)	Aaa	AA+
US Treasuries	Aaa to P-1	AA+ to A-1+
Corporate Notes:		
Amazon.com Inc	A1	AA
Apple Inc	Aaa	AA+
Bank of America Corp	A1	A-
Bank of Montreal	A2	A-
Berkshire Hathaway	Aa2	AA
Caterpillar Financial Service	A2	A
Charles Schwab Corp	A2	A-
Chubb INA Holdings Inc	A3	A
Cisco Systems Inc	A1	AA-
Duke Energy Carolinas LLC	Aa3	A
Guardian Life	Aa1	AA+
Home Depot Inc	A2	A
Honeywell Intl	A2	A
John Deere Capital Corp	A1	A
JP Morgan Chase & Co	A1	A-
Mass Mutual	Aa3	AA+
Metlife	Aa3	AA-
Morgan Stanley	A1	A-
National Rural Utilities	A1 to A2	A-
New York Life Global	Aaa	AA+
Northwestern Mutual	Aaa	AA+
Paccar Financial Corp	A1	A+
Prologis	A3	A
Realty Income Corp	A3	A-
Royal Bank of Canada	A1	A
Target Corp	A2	A
Toronto-Dominion Bank	A1	A
Toyota Motor Credit Corp	A1	A+
Truist Financial Corp	Baa1	A-
United Health Group Inc	A2	A+
Wal-Mart Stores	Aa2	AA
Asset-Backed Securities	Aaa to Not Rated	AAA to Not Rated
Collateralized Mortgage Obligations	Aaa	AA+
Local Agency Investment Funds	Not Rated	Not Rated
San Mateo County Pool	Not Rated	Not Rated
California Asset Management Program	Not Rated	AAAm
Supranational	Aaa	AAA
Money Market Funds	Aaa	AAAm

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the City had \$21,015,655 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, 2024, the City had \$133,272,859 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, 2024 was \$20.5 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, 2024 the amortized cost approximated is the City’s cost.

G. Investment in San Mateo County Investment Pool

As of June 30, 2024, the City had \$52,873,850 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 0.9913 was used to calculate the fair value of the investments in the County Pool. At June 30, 2024, the total amount invested by all public agencies in the County Pool was approximately \$8.4 billion.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable

At June 30, 2024, loans and notes receivable consisted of the following:

	Loans and Notes Receivable	Allowance for Doubtful Accounts	Loans and Notes Receivable, Net	Unavailable Revenue
Governmental Activities:				
First-time Homebuyer Loans	\$ 11,433,130	\$ (11,407,808)	\$ 25,322	\$ -
Home Rehabilitation Loans	529,907	-	529,907	117,300
106 N. El Dorado	450,000	(450,000)	-	-
Darcy Building	1,346,991	(1,164,564)	182,427	635
Edgewater Isle Senior Apartments	5,098,866	(5,098,866)	-	-
Belmont Building	800,000	(800,000)	-	-
St. Matthew Hotel	2,827,395	(2,827,395)	-	-
Rotary Hacienda & Rotary Floritas	5,154,873	(4,525,673)	629,200	-
First Step for Families (Turning Point)	751,033	(751,033)	-	-
12 N. Idaho Street	100,000	(100,000)	-	-
200 S. Delaware Street	2,154,555	(2,154,555)	-	-
232 S. Humboldt Street	557,500	(557,500)	-	-
11 S. Delaware Street	1,279,921	(1,279,921)	-	-
El Camino Family Housing	3,925,652	(3,925,652)	-	-
MP San Mateo Transit Associates	8,572,781	(8,572,781)	-	-
MP Delaware Pacific Associates LP	1,240,518	(1,240,518)	-	-
MP Foster Square	385,883	(385,883)	-	-
Gateway Commons Assessment Loan	281,977	-	281,977	24,805
Cal Home Loans	373,357	-	373,357	55,757
HIP Housing - 1100 Cypress Avenue	1,252,200	(1,252,200)	-	-
Bay Meadows Affordable Association	1,871,294	-	1,871,294	155,128
Child Care Facility Project Loans	770,789	(770,789)	-	-
MP Downtown San Mateo Associates LP	5,857,500	(5,857,500)	-	-
Total Governmental Activities	<u>\$ 57,016,122</u>	<u>\$ (53,122,638)</u>	<u>\$ 3,893,484</u>	<u>\$ 353,625</u>
Business-Type Activities:				
Town of Hillborough	\$ 38,999,057	\$ -	\$ 38,999,057	
Total Business-Type Activities	<u>\$ 38,999,057</u>	<u>\$ -</u>	<u>\$ 38,999,057</u>	

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable (Continued)

First-Time Homebuyer Loans (Continued)

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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable (Continued)

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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable (Continued)

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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable (Continued)

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.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans and Notes Receivable (Continued)

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.

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 begun 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 2024, the balance of the capital cost repayment agreement was \$38,999,057.

Note 4 – 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, 2024, the City recognized \$647,110 in lease revenue and \$330,229 in interest revenue.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Lease Receivable (Continued)

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Leases receivable	\$ 10,127,777	\$ 358,785	\$ (453,988)	\$ 10,032,574	\$ 485,582	\$ 9,546,992

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 485,582	\$ 295,952	\$ 781,534
2026	461,841	281,063	742,904
2027	329,837	269,268	599,105
2028	348,615	259,177	607,792
2029	391,984	247,812	639,796
2030-2034	2,256,557	1,044,739	3,301,296
2035-2039	1,708,397	740,285	2,448,682
2040-2044	2,144,148	456,246	2,600,394
2045-2048	1,905,613	109,108	2,014,721
Total	\$ 10,032,574	\$ 3,703,650	\$ 13,736,224

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	\$ 659,070
2026	617,964
2027	481,758
2028	472,552
2029	472,552
2030-2034	2,338,839
2035-2039	1,550,238
2040-2044	1,516,916
2045-2048	1,112,405
Total	\$ 9,222,294

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Interfund Transfers

Interfund transfers during the year ended June 30, 2024, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Projects Capital Projects Fund	General Fund	\$ 16,581,401	Capital projects
General Projects Capital Projects Fund	Construction Services Special Revenue Fund	300,397	Capital projects
General Projects Capital Projects Fund	Gas Tax Special Revenue Fund	710,758	Capital projects
General Projects Capital Projects Fund	Road Maintenance and Rehabilitation Fund	97,749	Capital projects
General Projects Capital Projects Fund	Solid Waste Special Revenue Fund	437,480	Capital projects
General Projects Capital Projects Fund	Traffic Impact Fee Special Revenue Fund	1,046,931	Capital projects
General Projects Capital Projects Fund	Parks and Recreation Special Revenue Fund	1,032,914	Capital projects
General Projects Capital Projects Fund	Landfill Bond Debt Service Fund	35,947	Capital projects
General Projects Capital Projects Fund	Vehicle and Equipment Replacement Internal Service Fund	913,548	Capital projects
	Subtotal	21,157,125	
General Fund	Construction Services Special Revenue Fund	5,499,933	Other purposes
General Fund	Gas Tax Special Revenue Fund	1,747,500	Other purposes
	Subtotal	7,247,433	
Vehicle and Equipment Replacement Internal Service Fund	General Fund	410,000	Cost allocation
Comprehensive Liability Insurance Internal Service Fund	General Fund	1,000,000	Cost allocation
General Obligation Bond Debt Service Fund	General Fund	2,691,887	Debt service
	Total	\$ 32,506,445	

Note 6 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Land	\$ 52,064,002	\$ -	\$ -	\$ -	\$ 52,064,002
Construction in progress	25,161,460	26,755,899	(511,334)	(20,993,884)	30,412,141
Total capital assets, not being depreciated	77,225,462	26,755,899	(511,334)	(20,993,884)	82,476,143
Capital assets, being depreciated/amortized					
Building and improvements	192,797,505	27,765	-	1,793,966	194,619,236
Machinery and equipment	35,497,334	2,456,294	(1,131,682)	-	36,821,946
Infrastructure	593,431,484	-	-	19,199,918	612,631,402
Leased assets - buildings and improvements	2,174,617	-	-	-	2,174,617
Subscription assets	5,788,427	1,077,582	-	-	6,866,009
Total capital assets, being depreciated/amortized	829,689,367	3,561,641	(1,131,682)	20,993,884	853,113,210
Accumulated depreciation/amortization:					
Building and improvements	(80,765,528)	(5,262,168)	-	-	(86,027,696)
Machinery and equipment	(26,885,002)	(1,746,523)	1,033,036	-	(27,598,489)
Infrastructure	(321,576,337)	(14,315,189)	-	-	(335,891,526)
Leased asset - buildings and improvements	(1,178,668)	(589,334)	-	-	(1,768,002)
Subscription assets	(768,547)	(1,000,824)	-	-	(1,769,371)
Total accumulated depreciation/amortization	(431,174,082)	(22,914,038)	1,033,036	-	(453,055,084)
Total capital assets, being depreciated/amortized, net	398,515,285	(19,352,397)	(98,646)	20,993,884	400,058,126
Total capital assets, net	\$ 475,740,747	\$ 7,403,502	\$ (609,980)	\$ -	\$ 482,534,269

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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	\$ 890,796
Community development	260,592
Public safety	1,723,432
Public works	14,280,867
Parks and recreation	2,880,803
Library	1,606,497
Internal service funds	1,271,051
Total depreciation/amortization expenses	\$ 22,914,038

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Land	\$ 4,052,298	\$ -	\$ -	\$ -	\$ 4,052,298
Construction in progress	530,698,148	90,274,678	-	(11,307,285)	609,665,541
Total capital assets, not being depreciated	534,750,446	90,274,678	-	(11,307,285)	613,717,839
Capital assets, being depreciated/amortized					
Sewer treatment plant and transmission lines	279,270,582	-	-	11,307,285	290,577,867
Machinery and equipment	2,325,728	199,373	-	-	2,525,101
Leased assets - machinery and equipment	110,037	-	-	-	110,037
Total capital assets, being depreciated/amortized	281,706,347	199,373	-	11,307,285	293,213,005
Accumulated depreciation/amortization:					
Sewer treatment plant and transmission lines	(115,793,403)	(5,460,029)	-	-	(121,253,432)
Machinery and equipment	(1,223,400)	(138,706)	-	-	(1,362,106)
Leased assets - machinery and equipment	(34,540)	(36,679)	-	-	(71,219)
Total accumulated depreciation/amortization	(117,051,343)	(5,635,414)	-	-	(122,686,757)
Total capital assets, being depreciated/amortized, net	164,655,004	(5,436,041)	-	11,307,285	170,526,248
Total capital assets, net	\$ 699,405,450	\$ 84,838,637	\$ -	\$ -	\$ 784,244,087

Depreciation and amortization expense was charged to the Sewer Fund in the amount of \$5,635,414.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities

A. Summary

	Final Maturity	Interest Rate	Annual Principal Installments	Original Issue Amounts	Outstanding at June 30, 2024
Governmental Activities					
Direct Borrowing:					
CEC Streetlight Loan	2030	1.00%	\$254,364 - \$260,544	\$ 3,000,000	\$ 1,524,968
PG&E - Energy Efficiency Retrofit Loans	2031	0.00%	\$351,219	3,356,274	2,163,827
Advance liability	2047	3.00%	\$335,000 - \$2,530,000	45,765,000	41,430,000
Lease liability	2025	3.00%	\$442,060 - \$611,348	2,169,194	442,060
Subscription liability	2033	1.71% - 3.14%	\$309,519 - \$947,110	4,291,977	3,650,644
Public Borrowing:					
General Obligation Bonds, Series 2013 (Library Improvement Project)	2031	3.00% - 4.00%	\$1,520,000 - \$2,070,000	27,295,000	13,030,000
Lease Revenue Bonds, Series 2007A (Public Safety Project)	2039	Variable rate	\$480,000 - \$1,195,000	17,400,000	12,625,000
Revenue Refunding Bonds, Series 2018A (Golf Course Project)	2030	2.25% - 5.00%	\$495,000 - \$665,000	6,050,000	3,680,000
Total Governmental Activities				<u>\$ 109,327,445</u>	<u>\$ 78,546,499</u>
Business-Type Activities					
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
Lease Liability	2025	0.46%	\$37,796 - \$37,968	110,037	37,968
Public Borrowing:					
Sewer Revenue Bonds, Series 2014	2045	3.00% - 5.00%	\$670,000 - \$2,665,000	32,255,000	25,680,000
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	13,070,000
Total Business-Type Activities				<u>\$ 578,289,397</u>	<u>\$ 570,447,328</u>
Fiduciary Funds					
Public Borrowing:					
Tax Allocation Refunding Bonds, Series 2015A	2033	4.00% - 5.00%	\$530,000 - \$4,150,000	\$ 31,210,000	\$ 29,415,000
Tax Allocation Refunding Bonds, Series 2017A	2026	2.00% - 5.00%	\$2,425,000 - \$3,100,000	21,440,000	6,045,000
Total Successor Agency				<u>\$ 52,650,000</u>	<u>\$ 35,460,000</u>

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities

A summary of changes in the long-term liabilities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Bonds payable:						
General Obligation Refunding Bonds, Series 2013	\$ 14,620,000	\$ -	\$ (1,590,000)	\$ 13,030,000	\$ 1,660,000	\$ 11,370,000
plus: unamortized bond premium	1,112,859	-	(157,109)	955,750	-	955,750
Lease Revenue Bonds, Series 2007A	13,135,000	-	(510,000)	12,625,000	545,000	12,080,000
Revenue Refunding Bonds, Series 2018A	4,200,000	-	(520,000)	3,680,000	550,000	3,130,000
plus: unamortized bond premium	286,442	-	(47,087)	239,355	-	239,355
Total bonds payable	33,354,301	-	(2,824,196)	30,530,105	2,755,000	27,775,105
Advance payable to other government						
Advance payable to other government	42,660,000	-	(1,230,000)	41,430,000	1,285,000	40,145,000
plus: unamortized advance premium	7,113,351	-	(286,444)	6,826,907	-	6,826,907
Total advance payable to other government	49,773,351	-	(1,516,444)	48,256,907	1,285,000	46,971,907
Loans payable:						
CEC Streetlight Loan	1,770,332	-	(245,364)	1,524,968	247,869	1,277,099
PG&E - Energy Efficiency Retrofit Loans	2,515,046	-	(351,219)	2,163,827	351,219	1,812,608
Total loans payable	4,285,378	-	(596,583)	3,688,795	599,088	3,089,707
Lease liability	1,053,407	-	(611,347)	442,060	442,060	-
Subscription liability	3,472,655	1,076,231	(898,242)	3,650,644	791,859	2,858,785
Total	\$ 91,939,092	\$ 1,076,231	\$ (6,446,812)	\$ 86,568,511	\$ 5,873,007	\$ 80,695,504

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 \$14,566,575. For the current year, principal and interest paid on the 2013 Refunding Bonds was \$2,049,050 and ad valorem property tax net revenues were \$2,724,717.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,660,000	\$ 402,350	\$ 2,062,350
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
2030-2031	4,075,000	123,225	4,198,225
Total	\$ 13,030,000	\$ 1,536,575	\$ 14,566,575

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 \$836,307, while 2% transient occupancy tax revenues (TOT) were \$887,679, resulting in a net gain of \$51,372. 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 and interest remaining to be paid on the 2007A Lease Revenue Bonds is \$12,625,000.

The annual principal requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest*	Total
2025	\$ 545,000	\$ -	\$ 545,000
2026	580,000	-	580,000
2027	615,000	-	615,000
2028	655,000	-	655,000
2029	695,000	-	695,000
2030-2034	4,130,000	-	4,130,000
2035-2039	5,405,000	-	5,405,000
Total	\$ 12,625,000	\$ -	\$ 12,625,000

*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, 2024

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Revenue Refunding Bonds, Series 2018A

On May 1, 2018, the City of San Mateo Joint Powers Financing Authority 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 Authority. The 2018A Revenue Bonds are subject to early redemption provisions.

Prior to fiscal year 2018-19, the City funded the lease payments to the Authority 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 Authority 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 \$665,850 and \$3,377,963, respectively. The total principal and interest remaining to be paid on the Bonds is \$4,023,413.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 550,000	\$ 119,100	\$ 669,100
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	\$ 3,680,000	\$ 343,413	\$ 4,023,413

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, 2024, the City's advance payable to other government balance was \$41,430,000 with a remaining premium on advance balance of \$6,826,907. Total principal and interest remaining to be paid on the advance from other government is \$65,458,917.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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
2025	\$ 1,285,000	\$ 1,734,124	\$ 3,019,124
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
2030-2034	6,780,000	6,759,988	13,539,988
2035-2039	8,140,000	5,013,850	13,153,850
2040-2044	10,010,000	3,142,400	13,152,400
2045-2048	9,550,000	973,600	10,523,600
Total	\$ 41,430,000	\$ 24,028,917	\$ 65,458,917

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 247,869	\$ 14,633	\$ 262,502
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	\$ 1,524,968	\$ 50,042	\$ 1,575,010

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

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.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 351,219	\$ -	\$ 351,219
2026	351,219	-	351,219
2027	351,219	-	351,219
2028	351,219	-	351,219
2029	351,219	-	351,219
2030-2031	407,732	-	407,732
Total	\$ 2,163,827	\$ -	\$ 2,163,827

Lease Liability

The City has entered into leases for building space and equipment use. The terms of the agreements range from 3 to 4 years. The calculated interest rate based on the length of the lease is 3.00%. As of June 30, 2024, the capitalized right-to-use assets related to leases were \$2,174,617 and the total lease liability was \$442,060, of which \$442,060 is reported as a current liability representing the amount due within the next fiscal year.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 442,060	\$ 5,448	\$ 447,508

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 1.71% and 3.14%, depending on the length of the SBITA and date of the agreement.

As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were \$6,866,009 and the total subscription liability was \$3,650,644, of which \$791,859 is reported as a current liability representing the amount due within the next fiscal year.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

B. Governmental Activities (Continued)

Subscription Liability (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 791,859	\$ 83,361	\$ 875,220
2026	731,957	65,026	796,983
2027	486,433	48,762	535,195
2028	500,768	37,429	538,197
2029	359,786	25,768	385,554
2030-2033	779,841	29,652	809,493
Total	\$ 3,650,644	\$ 305,047	\$ 3,940,642

C. Business-Type Activities

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Bonds payable:						
Sewer Revenue Bonds, Series 2014A	\$ 26,915,000	\$ -	\$ (1,235,000)	\$ 25,680,000	\$ 1,300,000	\$ 24,380,000
plus: unamortized bond premium	1,589,438	-	(75,688)	1,513,750	-	1,513,750
Wastewater Revenue Bonds, Series 2019	236,180,000	-	-	236,180,000	-	236,180,000
plus: unamortized bond premium	40,594,633	-	(1,618,391)	38,976,242	-	38,976,242
Wastewater Revenue Notes, Series 2021B	271,565,000	-	(271,565,000)	-	-	-
plus: unamortized bond premium	25,270,479	-	(25,270,479)	-	-	-
Wastewater Revenue Refunding						
Bonds, Series 2021A	13,700,000	-	(630,000)	13,070,000	660,000	12,410,000
plus: unamortized bond premium	3,320,992	-	(174,789)	3,146,203	-	3,146,203
Total bonds payable	619,135,542	-	(300,569,347)	318,566,195	1,960,000	316,606,195
Notes payable:						
Water Infrastructure Finance and Innovation Act (WIFIA) Loan	-	295,479,360	-	295,479,360	-	295,479,360
Total notes payable	-	295,479,360	-	295,479,360	-	295,479,360
Lease liability	75,764	-	(37,796)	37,968	37,968	-
Total	\$ 619,211,306	\$ 295,479,360	\$ (300,607,143)	\$ 614,083,523	\$ 1,997,968	\$ 612,085,555

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type (Continued)

Sewer Revenue Bonds, Series 2014A (Continued)

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 \$37,264,561.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,300,000	\$ 992,815	\$ 2,292,815
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
2030-2034	3,585,000	3,207,573	6,792,573
2035-2039	4,260,000	2,526,250	6,786,250
2040-2044	7,990,000	1,518,413	9,508,413
2045	2,665,000	53,300	2,718,300
Total	\$ 25,680,000	\$ 11,584,561	\$ 37,264,561

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 \$413,160,475.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Wastewater Revenue Bonds, Series 2019 (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 10,947,250	\$ 10,947,250
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
2030-2034	34,300,000	46,713,500	81,013,500
2035-2039	44,930,000	37,170,650	82,100,650
2040-2044	55,690,000	26,417,750	82,107,750
2045-2049	69,170,000	12,928,075	82,098,075
2050	16,020,000	400,500	16,420,500
Total	\$ 236,180,000	\$ 176,980,475	\$ 413,160,475

Wastewater Revenue Notes, Series 2021B

On July 1, 2021, the Authority issued the 2021 Series Wastewater Revenue Note in the amount of \$62,760,000 and \$271,565,000 respectively. The 2021B Notes were issued to costs of the Wastewater Treatment Plant (WWTP) capital improvements. Of the total issuance amount, the City is responsible for \$271,565,000. Interest payments are payable semi- annually on February 1 and August 1, commencing February 1, 2022. The bonds mature through August 1, 2025, and bear interest at the rate of 5.00%. The issuance resulted in a bond premium of \$62,249,468, of which the City's share was \$50,540,962. The Notes were refunded with the issuance of the 2024 WIFIA Loans.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Wastewater Revenue Refunding Bonds, Series 2021A (Continued)

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 \$18,336,875.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 660,000	\$ 577,050	\$ 1,237,050
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
2030-2034	2,945,000	1,699,625	4,644,625
2035-2039	3,775,000	896,975	4,671,975
2040-2042	2,690,000	141,025	2,831,025
Total	\$ 13,070,000	\$ 5,266,875	\$ 18,336,875

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 \$2,291,190, on the 2019 Wastewater bonds was \$10,947,250, and on the 2021 Wastewater bonds was \$1,239,300. Sewer services net revenues were \$49,460,487.

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Liabilities (Continued)

C. Business-Type Activities (Continued)

Water Infrastructure Finance and Innovation Act Loan (Continued)

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, 2024 was \$370,584,812.

The annual debt service requirements for the WIFIA loans outstanding at June 30, 2024 were as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 3,729,655	\$ 3,729,655
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
2030-2034	29,072,176	17,589,540	46,661,716
2035-2039	41,462,643	15,272,811	56,735,454
2040-2044	54,698,022	12,111,171	66,809,193
2045-2049	68,835,928	8,047,004	76,882,932
2050-2054	79,937,906	3,045,066	82,982,972
2055-2056	6,602,821	103,786	6,706,607
Total	\$ 295,479,360	\$ 75,105,452	\$ 370,584,812

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, 2024, the capitalized right-to-use assets related to leases were \$110,037 and the total lease liability was \$37,968, of which \$37,968 is reported as a current liability representing the amount due within the next fiscal year.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 37,968	\$ 94	\$ 38,062

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Bonds payable:						
Tax Allocation Refunding Bonds, Series 2015A	\$ 30,680,000	\$ -	\$ (1,265,000)	\$ 29,415,000	\$ 1,325,000	\$ 28,090,000
plus: unamortized bond premium	1,641,067	-	(182,340)	1,458,727	-	1,458,727
Tax Allocation Refunding Bonds, Series 2017A	8,855,000	-	(2,810,000)	6,045,000	2,945,000	3,100,000
plus: unamortized bond premium	869,743	-	(417,478)	452,265	-	452,265
Total bonds payable	42,045,810	-	(4,674,818)	37,370,992	4,270,000	33,100,992
Total	\$ 42,045,810	\$ -	\$ (4,674,818)	\$ 37,370,992	\$ 4,270,000	\$ 33,100,992

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 \$36,574,375.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,325,000	\$ 1,375,750	\$ 2,700,750
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
2030-2033	15,440,000	1,446,250	16,886,250
Total	\$ 29,415,000	\$ 7,159,375	\$ 36,574,375

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, 2025, 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 \$6,351,125.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 2017A (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,945,000	\$ 228,625	\$ 3,173,625
2026	3,100,000	77,500	3,177,500
Total	\$ 6,045,000	\$ 306,125	\$ 6,351,125

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 \$2,692,550 and \$3,182,500, respectively and Redevelopment Agency Property Tax Trust Fund distributions were \$5,994,500.

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 Mello-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, 2024 are as follows:

	Original Amount	Outstanding Balance June 30, 2024
CFD 2008-1, Series Special Tax Bonds Refunding Bonds Series 2022	\$ 72,345,000	\$ 71,350,000

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Compensated Absences

Employees accrue vacation, annual leave, earned time off, and holiday leave up to certain maximums, based on the employee's bargaining unit. Employees may elect to be paid a portion of these leaves at various times according to the applicable Memorandum of Understanding. Sick leave may be accumulated without limit. Sick leave may be paid upon retirement up to 50% of accumulated balance up to 960 hours with the maximum payout not to exceed 480 hours.

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Compensated absences	\$ 7,993,834	\$ 7,319,664	\$ (7,034,953)	\$ 8,278,545	\$ 910,640	\$ 7,367,905

Compensated absences in the governmental activities generally liquidate to the General Fund.

B. Business-Type Activities

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,108,325	\$ 1,199,221	\$ (1,206,426)	\$ 1,101,120	\$ 121,123	\$ 979,997

Compensated absences in the business-type activities are obligations of the Sewer Fund.

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.

As of June 30, 2024, the estimated amount of \$1,728,952 has been recorded as Landfill Post-Closure Costs Payable in the Government-Wide Financial Statements.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Landfill closure and post-closure costs payable	\$ 1,668,873	\$ 171,337	\$ (111,258)	\$ 1,728,952	\$ 115,264	\$ 1,613,688

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 8,713,569	\$ 2,078,566	\$ 10,792,135
CalPERS Safety	17,313,205	-	17,313,205
Total pension contribution made after measurement date	26,026,774	2,078,566	28,105,340
Change in assumptions			
CalPERS Miscellaneous	1,776,099	423,677	2,199,776
Total change in assumptions	1,776,099	423,677	2,199,776
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	8,647,864	2,062,891	10,710,755
CalPERS Safety	13,329,014	-	13,329,014
Total projected earnings on pension plan investments in excess of actual earnings	21,976,878	2,062,891	24,039,769
Difference between expected and actual experience			
CalPERS Miscellaneous	1,615,510	385,369	2,000,879
CalPERS Safety	1,271,705	-	1,271,705
Total difference between expected and actual experience	2,887,215	385,369	3,272,584
Total deferred outflows of resources			
CalPERS Miscellaneous	20,753,042	4,950,503	25,703,545
CalPERS Safety	31,913,924	-	31,913,924
Total deferred outflows of resources	\$ 52,666,966	\$ 4,950,503	\$ 57,617,469
Net pension liability:			
CalPERS Miscellaneous	\$ 77,350,265	\$ 18,451,401	\$ 95,801,666
CalPERS Safety	191,686,006	-	191,686,006
Total net pension liability	\$ 269,036,271	\$ 18,451,401	\$ 287,487,672
Deferred inflows of resources:			
Difference between expected and actual experience			
CalPERS Miscellaneous	\$ 414,055	\$ 98,770	\$ 512,825
Total difference between expected and actual experience	414,055	98,770	512,825
Total deferred inflows of resources			
CalPERS Miscellaneous	414,055	98,770	512,825
Total deferred inflows of resources	\$ 414,055	\$ 98,770	\$ 512,825
Pension expenses:			
CalPERS Miscellaneous	\$ 12,743,367	\$ 3,039,847	\$ 15,783,214
CalPERS Safety	28,746,375	-	28,746,375
Total net pension expenses	\$ 41,489,742	\$ 3,039,847	\$ 44,529,589

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Pension Plans (Continued)

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.

Employees Covered

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
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. PEPRAs 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:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Hire Date		
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%	3.000%
Required employee contribution rates for Classic members	8.00%	9.00%
Required employer contribution rates	9.770%	21.180%
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, 2024

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, 2023 (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 26.80 percent of annual payroll for the Miscellaneous Plan and 88.67 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, 2024, 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, 2024, the plan's contributions made for the Plan was as follows:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Contributions - employer	\$ 10,792,135	\$ 17,313,205

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2023 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, 2024

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%
	<u>100.00%</u>	

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, 2024

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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 137,435,462	\$ 95,801,666	\$ 61,286,709
Safety Plan	\$ 255,327,249	\$ 191,686,006	\$ 139,435,590

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, 2022 (Valuation Date)	\$ 319,268,003	\$ 227,767,747	\$ 91,500,256
Changes in the year:			
Service cost	5,920,696	-	5,920,696
Interest on the total pension liabilities	21,858,537	-	21,858,537
Changes in benefit terms	425,881	-	425,881
Differences between expected and actual experience	3,251,428	-	3,251,428
Benefit payments, including refunds of members contributions	(18,230,555)	(18,230,555)	-
Contributions - employer	-	10,683,495	(10,683,495)
Contributions - employee	-	2,571,915	(2,571,915)
Net investment income	-	14,067,212	(14,067,212)
Administrative expenses	-	(167,490)	167,490
Net changes	13,225,987	8,924,577	4,301,410
Balance at June 30, 2023 (Measurement Date)	\$ 332,493,990	\$ 236,692,324	\$ 95,801,666

Safety Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022 (Valuation Date)	\$ 472,391,862	\$ 285,135,370	\$ 187,256,492
Changes in the year:			
Service cost	5,234,236	-	5,234,236
Interest on the total pension liabilities	32,047,044	-	32,047,044
Changes in benefit terms	206,341	-	206,341
Differences between expected and actual experience	2,427,801	-	2,427,801
Benefit payments, including refunds of members contributions	(26,386,401)	(26,386,401)	-
Contributions - employer	-	16,292,527	(16,292,527)
Contributions - employee	-	1,761,725	(1,761,725)
Net investment income	-	17,641,331	(17,641,331)
Administrative expenses	-	(209,675)	209,675
Net changes	13,529,021	9,099,507	4,429,514
Balance at June 30, 2023 (Measurement Date)	\$ 485,920,883	\$ 294,234,877	\$ 191,686,006

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the City recognized pension expense in the amount of \$15,783,214 and \$28,746,375 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 2022-23 measurement period is 2.6 years, which was obtained by dividing the total service years of 3,826 (the sum of remaining service lifetimes of the active employees) by 1,454 (the total number of participants: active, inactive, and retired). For the Safety Plan, the EARSL for the 2021-22 measurement period is 2.1 years, which was obtained by dividing the total service years of 1,459 (the sum of remaining service lifetimes of the active employees) by 696 (the total number of participants: active, inactive, and retired).

At June 30, 2024, 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	\$ 10,792,135	\$ -
Difference between projected and actual earning on pension plan investments	10,710,755	-
Changes in assumptions	2,199,776	-
Differences between expected and actual experience	2,000,879	(512,825)
Total	<u>\$ 25,703,545</u>	<u>\$ (512,825)</u>
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 17,313,205	\$ -
Difference between projected and actual earning on pension plan investments	13,329,014	-
Differences between expected and actual experience	1,271,705	-
Total	<u>\$ 31,913,924</u>	<u>\$ -</u>

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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	\$ 28,105,340	\$ -
Difference between projected and actual earning on pension plan investments	24,039,769	-
Changes in assumptions	2,199,776	-
Differences between expected and actual experience	3,272,584	(512,825)
Total	<u>\$ 57,617,469</u>	<u>\$ (512,825)</u>

For the General Information about Pension, for the Miscellaneous and Safety Plans, \$10,792,135 and \$17,313,205, 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources		Total
	Miscellaneous Plan	Safety Plan	
2024	\$ 4,812,869	\$ 3,443,976	\$ 8,256,845
2025	1,793,904	1,321,451	3,115,355
2026	7,498,985	9,489,206	16,988,191
2027	292,827	346,086	638,913
2028	-	-	-
Thereafter	-	-	-
	<u>\$ 14,398,585</u>	<u>\$ 14,600,719</u>	<u>\$ 28,999,304</u>

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, 2024 amounted to \$5,070,433 of which the City paid \$2,535,217.

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, 2024

Note 12 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 1,077,056	\$ 159,944	\$ 1,237,000
Net difference between projected and actual earnings of OPEB Plan investments	431,868	64,133	496,001
Difference between expected and actual experience	3,034,923	450,690	3,485,613
Total deferred outflows of resources	<u>\$ 4,543,847</u>	<u>\$ 674,767</u>	<u>\$ 5,218,614</u>
Net OPEB Liability	<u>\$ 9,481,590</u>	<u>\$ 1,408,025</u>	<u>\$ 10,889,615</u>
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 650,281	\$ 96,568	\$ 746,849
Change in assumptions	1,132,773	168,220	1,300,993
Total deferred inflows of resources	<u>\$ 1,783,054</u>	<u>\$ 264,788</u>	<u>\$ 2,047,842</u>
OPEB Expense	<u>\$ 639,542</u>	<u>\$ 94,973</u>	<u>\$ 734,515</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, 2023, 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 2023-24, the City contributed \$880,000.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2023, 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, 2023, 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	6.10%
Mortality, Retirement, Disability, Termination	CalPERS 2021 Experience Study
Mortality Improvement	MacLeod Watts Scale 2022
Medical Trend	6.50% for 2025 decreasing to 3.90% in 2075

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2022 through June 30, 2023.

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%	4.50%
Fixed Income	23.00%	2.20%
TIPS	5.00%	1.30%
Commodities	3.00%	1.20%
REITs	20.00%	3.90%
	<u>100.00%</u>	
Long-term assumed rate of inflation		2.500%
Long-term expected rate of return		6.100%

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 decreased from 6.25 percent to 6.10 percent for the measurement period ended June 30, 2023.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.10 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, 2022	\$ 17,257,574	\$ 8,830,251	\$ 8,427,323
Changes Recognized for the Measurement Period:			
Service Cost	563,606	-	563,606
Interest on the total OPEB liability	1,079,059	-	1,079,059
Difference between expected and actual experience	4,098,199	-	4,098,199
Changes in assumptions	(1,405,066)	-	(1,405,066)
Contribution from the employer	-	1,193,000	(1,193,000)
Net investment income	-	683,260	(683,260)
Administrative expenses	-	(2,754)	2,754
Benefit payments	(1,112,477)	(1,112,477)	-
Net changes during July 1, 2022 to June 30, 2023	3,223,321	761,029	2,462,292
Balance at June 30, 2023	\$ 20,480,895	\$ 9,591,280	\$ 10,889,615

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$734,515. At June 30, 2024, 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	\$ 1,237,000	\$ -
Differences between expected and actual experience	3,485,613	(746,849)
Changes in assumptions	-	(1,300,993)
Net difference between projected and actual earnings of OPEB Plan investments	496,001	-
	\$ 5,218,614	\$ (2,047,842)

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2023, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

For the OPEB Plan, \$1,237,000 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, 2025. 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
2025	\$ (118,184)
2026	323,116
2027	671,738
2028	376,774
2029	402,561
Thereafter	277,767
Total	<u>\$ 1,933,772</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, 2023:

Plan's Net OPEB Liability		
Discount Rate -1% (5.10%)	Current Discount Rate (6.10%)	Discount Rate +1% (7.10%)
\$ 13,358,199	\$ 10,889,615	\$ 8,827,887

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, 2023:

Plan's Net OPEB Liability		
Current Healthcare		
1% Decrease (5.50% - 2.90%)	Trend Rate (6.50% - 3.90%)	1% Increase (7.50% to 4.90%)
\$ 8,651,662	\$ 10,889,615	\$ 13,633,097

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End	Due Within One Year	Due in More than One Year
<u>Workers' Compensation</u>						
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
2022	15,936,000	(2,514,129)	(1,224,871)	12,197,000	2,800,000	9,397,000
<u>Dental</u>						
2024	\$ -	\$ 775,609	\$ (775,609)	\$ -	\$ -	\$ -
2023	-	786,503	(786,503)	-	-	-
2022	-	473,383	(473,383)	-	-	-
<u>General Liability</u>						
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
2022	1,116,000	1,663,353	(907,353)	1,872,000	500,000	1,372,000
<u>Total</u>						
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
2022	17,052,000	(377,393)	(2,605,607)	14,069,000	3,300,000	10,769,000

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, 2024, the City paid \$27,405,432 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, 2024

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 receive 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 \$802,082,162.

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, 2024, the City has an investment in JPA equity of \$12,740,381. 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, 2024

Note 14 – Joint Ventures (Continued)

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

The condensed audited financial information of the JPA as of June 30, 2024 is as follows (in millions):

Total assets and deferred outflows	\$ 37,563,975
Total liabilities and deferred inflows	\$ 16,330,007
Total equities	\$ 21,233,968
Expenses	\$ 52,585,800
Program revenues	\$ 51,870,229
General revenues	\$ 1,141,902
Change in net position	\$ 426,331

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

The City's governmental activities had an unrestricted net position (deficit) of \$(53,862,081) as of June 30, 2024. This is mainly due to reporting of net pension liability of \$(269,036,271) as required under GASB Statement No. 68 (Note 11) and reporting of Total OPEB liability of \$(9,481,590) as required under GASB Statement No. 75 (Note 12).

At June 30, 2024, 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
Comprehensive Liability Insurance Fund	Internal Service Fund	\$ 2,423,427
Successor Agency to RDA Merged Area Fund	Fiduciary Fund	37,971,375

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.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds by function:

Fund	Function	Excess Expenditures over Appropriations
General Fund	General government: City attorney	\$ 53,883
General Fund	Public safety: Police	639,660
General Fund	Capital outlay	289,513
Advance Planning Fund	Community development	199,528
Construction Services Fund	General government	44,534
Construction Services Fund	Public works	33,332
Construction Services Fund	Capital outlay	25,855
General Obligation Bonds Debt Service Fund	Non-departmental	1,374
2% Hotel Tax Capital Projects Fund	Non-departmental	6,044

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2024:

	General Fund	General Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable				
Prepaid items and inventories	\$ 304,759	\$ -	\$ -	\$ 304,759
Total nonspendable	304,759	-	-	304,759
Restricted				
Advance planning	-	-	5,841,009	5,841,009
Construction services	-	-	26,933,917	26,933,917
Debt service	550,000	-	7,591,815	8,141,815
Housing	-	907,476	10,622,472	11,529,948
Infrastructure maintenance	-	9,619,719	-	9,619,719
Landfill post-closure maintenance	-	-	4,490,002	4,490,002
Capital projects	-	4,750,829	178,905	4,929,734
Public safety	-	1,132,343	531,193	1,663,536
Public streets and related facilities	-	-	28,759,814	28,759,814
Solid waste and landfill	-	15,801,041	14,423,067	30,224,108
Total restricted	550,000	32,211,408	99,372,194	132,133,602
Assigned				
Capital projects	10,028,554	26,595,669	-	36,624,223
Other purposes	1,414,672	-	-	1,414,672
Total assigned	11,443,226	26,595,669	-	38,038,895
Unassigned	105,659,356	-	-	105,659,356
Total fund balances	\$ 117,957,341	\$ 58,807,077	\$ 99,372,194	\$ 276,136,612

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 17 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2024, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 82,476,143	\$ 613,717,839
Capital assets, depreciable/amortizable, net	400,058,126	170,526,248
Unspent bond proceeds - Restricted cash and investments	21,216,358	51,978,422
Deferred loss/(gain) on refunding	699,287	(16,156,892)
Capital-related liabilities:		
Retention payable	(5,029,210)	-
General Obligation Refunding Bonds, Series 2013	(13,985,750)	-
Lease Revenue Bonds, Series 2007A	(12,625,000)	-
Revenue Refunding Bonds, Series 2018A	(3,919,355)	-
Advance payable	(48,256,907)	-
CEC Streetlight Loan	(1,524,968)	-
PG&E - Energy Efficiency Retrofit Loans	(2,163,827)	-
Lease liability	(442,060)	(37,968)
Subscription liability	(3,650,644)	-
Sewer Revenue Bonds, Series 2014	-	(27,193,750)
Wastewater Revenue Bonds, Series 2019	-	(275,156,242)
Wastewater Revenue Refunding Bonds, Series 2021A	-	(16,216,203)
Water Infrastructure Finance and Innovation Act (WIFIA) Loan	-	(295,479,360)
Total net investment in capital assets	<u>\$ 412,852,193</u>	<u>\$ 205,982,094</u>

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.

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

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. 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 – Changes to or within the Financial Reporting Entity

The Construction Services Special Revenue Fund was previously reported as a major fund, but due to a decrease in activity in the Construction Services Fund, the fund no longer meets the quantitative threshold requiring the fund to be reported as a major fund for the fiscal year ended June 30, 2024. The changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	June 30, 2023 As Previously Reported	Change to or with the Financial Reporting Entity	June 30, 2023 As Restated
Governmental Funds			
Major Funds:			
General Fund	\$ 117,879,219	\$ -	\$ 117,879,219
General Capital Projects Fund	54,186,446	-	54,186,446
Construction Services Special Revenue Fund	32,627,760	(32,627,760)	-
Nonmajor Funds	58,744,866	32,627,760	91,372,626
Total Governmental Funds	\$ 263,438,291	\$ -	\$ 263,438,291

City of San Mateo
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, 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, 2024. 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, 2024:

	Remaining Commitment
Clean Water Program	\$ 20,431,049
Sanitary Sewer Rehabilitation and Improvement Project	65,856,143
Streetscape Improvements	7,899,698
Miscellaneous Projects	6,511,373
Total	<u>\$ 100,698,263</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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City of San Mateo
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2024

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 nearly two years of pandemic-related recession experience under its belt, the City plans on shifting back to the two-year business plan for 2022-24.

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 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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Property taxes	\$ 78,022,243	\$ 78,022,243	\$ 78,606,527	\$ 584,284
Sales taxes	31,216,400	31,216,400	27,772,986	(3,443,414)
Other taxes	23,546,274	23,546,274	25,883,776	2,337,502
Licenses, building and other permits	70,000	70,000	97,101	27,101
Fines, forfeitures and penalties	1,481,000	1,481,000	3,024,160	1,543,160
Intergovernmental	2,806,774	2,875,359	3,066,664	191,305
Charges for Services	12,848,736	12,848,736	15,607,445	2,758,709
Investment income	1,800,000	1,800,000	8,470,713	6,670,713
Parking Meter and Lease Revenue	2,040,000	2,040,000	3,199,677	1,159,677
Other revenues	3,046,563	3,157,403	4,284,746	1,127,343
Total revenues	156,877,990	157,057,415	170,013,795	12,956,380
EXPENDITURES:				
Current:				
General government:				
City Council	356,898	356,898	319,813	37,085
City Manager	2,617,253	2,698,053	2,305,807	392,246
City Clerk	862,087	862,087	785,263	76,824
City Attorney	1,212,087	1,212,087	1,265,970	(53,883)
Finance	4,176,442	4,260,929	4,220,237	40,692
Information technology	4,679,239	4,050,582	3,979,491	71,091
Human Resources	2,284,816	2,284,816	2,169,288	115,528
Community development	1,946,275	1,881,025	1,729,511	151,514
Public safety:				
Police	57,981,162	58,416,581	59,056,241	(639,660)
Fire	27,509,727	27,509,727	27,509,727	-
Public works	12,156,247	12,740,919	10,831,430	1,909,489
Parks and recreation	21,666,029	21,666,029	21,136,909	529,120
Library	8,925,860	8,925,860	8,619,895	305,965
Non-departmental	9,840,263	9,840,263	9,678,356	161,907
Capital outlay	20,865	1,097,096	1,386,609	(289,513)
Debt service:				
Principal	1,116,583	2,353,227	2,353,226	1
Interest and fiscal charges	162,988	249,630	249,630	-
Total expenditures	157,514,821	160,405,809	157,597,403	2,808,406
REVENUES OVER (UNDER) EXPENDITURES	(636,831)	(3,348,394)	12,416,392	15,764,786

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund (Continued)
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Favorable/ (Unfavorable)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	21,354	21,354
Inception of subscription liability	-	1,076,231	1,076,231	-
Transfers in	7,247,433	7,247,433	7,247,433	-
Transfers out	(19,201,887)	(22,301,887)	(20,683,288)	1,618,599
Total other financing sources (uses)	(11,954,454)	(13,978,223)	(12,338,270)	1,639,953
NET CHANGES IN FUND BALANCE	\$ (12,591,285)	\$ (17,326,617)	78,122	\$ 17,404,739
FUND BALANCE:				
Beginning of year			117,879,219	
End of year			\$ 117,957,341	

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, 2024

Miscellaneous Plan										
Total Pension Liability	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Service cost	\$ 5,920,696	\$ 5,860,301	\$ 5,417,134	\$ 5,314,317	\$ 5,232,210	\$ 5,037,653	\$ 4,518,151	\$ 3,993,514	\$ 3,892,876	\$ 3,828,331
Interest on total pension liability	21,858,537	20,961,702	20,553,253	19,910,417	19,039,419	18,044,112	17,389,674	17,090,620	16,438,129	15,777,588
Differences between expected and actual experience	3,251,428	(1,978,041)	(812,628)	2,219,628	4,029,100	1,103,888	(3,106,399)	(331,929)	(627,100)	-
Changes in assumptions	-	8,484,848	-	-	-	(1,424,920)	13,781,463	-	(3,817,336)	-
Changes in benefit terms	425,881	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(18,230,555)	(16,833,252)	(15,894,895)	(15,050,756)	(13,650,253)	(12,925,302)	(12,461,817)	(11,970,354)	(11,069,836)	(10,298,370)
Net change in total pension liability	13,225,987	16,495,558	9,262,864	12,393,606	14,650,476	9,835,431	20,121,072	8,781,851	4,816,733	9,307,549
Total pension liability - beginning	319,268,003	302,772,445	293,509,581	281,115,975	266,465,499	256,630,068	236,508,996	227,727,145	222,910,412	213,602,863
Total pension liability - ending (a)	\$ 332,493,990	\$ 319,268,003	\$ 302,772,445	\$ 293,509,581	\$ 281,115,975	\$ 266,465,499	\$ 256,630,068	\$ 236,508,996	\$ 227,727,145	\$ 222,910,412
Plan fiduciary net position										
Contributions - employer	10,683,495	9,953,731	8,968,085	8,308,013	7,343,013	6,287,676	5,873,612	5,126,750	4,501,438	3,783,964
Contributions - employee	2,571,915	2,557,263	2,454,476	2,412,286	2,463,688	2,208,675	2,041,614	1,928,776	1,950,191	1,924,145
Investment income (net of administrative expenses)	14,067,212	(18,866,744)	47,026,715	10,192,254	12,797,943	15,561,240	18,815,053	868,395	3,955,299	26,395,339
Benefit payments	(18,230,555)	(16,833,252)	(15,894,895)	(15,050,756)	(13,650,253)	(12,925,302)	(12,461,817)	(11,970,354)	(11,069,836)	(10,298,370)
Other	(167,490)	(156,429)	(208,546)	(286,451)	(138,259)	(832,007)	(251,079)	(106,172)	(198,614)	-
Net change in plan fiduciary net position	8,924,577	(23,345,431)	42,345,835	5,575,346	8,816,132	10,300,282	14,017,383	(4,152,605)	(861,522)	21,805,078
Plan fiduciary net position - beginning	227,767,747	251,113,178	208,767,343	203,191,997	194,375,865	184,075,583	170,058,200	174,210,805	175,072,327	153,267,249
Plan fiduciary net position - ending (b)	\$ 236,692,324	\$ 227,767,747	\$ 251,113,178	\$ 208,767,343	\$ 203,191,997	\$ 194,375,865	\$ 184,075,583	\$ 170,058,200	\$ 174,210,805	\$ 175,072,327
Net pension liability - ending (a)-(b)	\$ 95,801,666	\$ 91,500,256	\$ 51,659,267	\$ 84,742,238	\$ 77,923,978	\$ 72,089,634	\$ 72,554,485	\$ 66,450,796	\$ 53,516,340	\$ 47,838,085
Plan fiduciary net position as a percentage of the total pension liability										
	71.19%	71.34%	82.94%	71.13%	72.28%	72.95%	71.73%	71.90%	76.50%	78.54%
Covered payroll	\$ 38,292,673	\$ 36,700,692	\$ 36,154,902	\$ 35,484,738	\$ 35,068,361	\$ 34,688,256	\$ 31,556,856	\$ 28,252,538	\$ 26,888,005	\$ 25,179,750
Net pension liability as a percentage of covered payroll	250.18%	249.31%	142.88%	238.81%	222.21%	207.82%	229.92%	235.20%	199.03%	189.99%

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, 2024

Safety Plan										
Total Pension Liability	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Service cost	\$ 5,234,236	\$ 4,815,965	\$ 4,521,737	\$ 4,385,424	\$ 4,449,133	\$ 7,417,456	\$ 7,342,172	\$ 6,024,059	\$ 5,876,118	\$ 5,866,003
Interest on total pension liability	32,047,044	31,147,674	30,250,946	29,312,094	28,324,725	27,109,372	25,954,748	25,211,819	24,350,391	23,707,497
Differences between expected and actual experience	2,427,801	2,215,829	2,818,839	3,435,208	4,999,458	4,313,272	(652,769)	(1,229,918)	(4,513,903)	-
Changes in assumptions	-	15,714,311	-	-	-	(1,764,356)	20,868,220	-	(5,706,829)	-
Changes in benefit terms	206,341	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(26,386,401)	(25,158,731)	(23,890,302)	(23,017,166)	(21,718,515)	(20,369,839)	(19,099,929)	(18,246,437)	(17,373,723)	(16,930,299)
Net change in total pension liability	13,529,021	28,735,048	13,701,220	14,115,560	16,054,801	16,705,905	34,412,442	11,759,523	2,632,054	12,643,201
Total pension liability - beginning	472,391,862	443,656,814	429,955,594	415,840,034	399,785,233	383,079,328	348,666,886	336,907,363	334,275,309	321,632,108
Total pension liability - ending (a)	\$485,920,883	\$472,391,862	\$443,656,814	\$429,955,594	\$415,840,034	\$399,785,233	\$383,079,328	\$348,666,886	\$336,907,363	\$334,275,309
Plan fiduciary net position										
Contributions - employer	16,292,527	14,717,993	13,566,455	12,284,260	14,131,640	13,411,260	13,038,623	10,598,960	9,719,832	8,342,908
Contributions - employee	1,761,725	1,709,770	1,789,979	1,576,589	2,260,834	2,509,623	2,358,978	2,232,023	2,180,686	1,986,679
Investment income (net of administrative expenses)	17,641,331	(24,080,446)	60,169,718	13,065,390	16,597,022	20,229,991	24,165,223	1,116,133	4,925,152	33,561,544
Benefit payments	(26,386,401)	(25,158,731)	(23,890,302)	(23,017,166)	(21,718,515)	(20,369,839)	(19,099,929)	(18,246,437)	(17,373,723)	(16,930,299)
Other	(209,675)	(198,185)	(266,493)	(371,100)	(179,352)	(1,073,204)	(320,823)	(135,133)	(249,571)	-
Net change in plan fiduciary net position	9,099,507	(33,009,599)	51,369,357	3,537,973	11,091,629	14,707,831	20,142,072	(4,434,454)	(797,624)	26,960,832
Plan fiduciary net position - beginning	285,135,370	318,144,969	266,775,612	263,237,639	252,146,010	237,438,179	217,296,107	221,730,561	222,528,185	195,567,353
Plan fiduciary net position - ending (b)	\$294,234,877	\$285,135,370	\$318,144,969	\$266,775,612	\$263,237,639	\$252,146,010	\$237,438,179	\$217,296,107	\$221,730,561	\$222,528,185
Net pension liability - ending (a)-(b)	\$191,686,006	\$187,256,492	\$125,511,845	\$163,179,982	\$152,602,395	\$147,639,223	\$145,641,149	\$131,370,779	\$115,176,802	\$111,747,124
Plan fiduciary net position as a percentage of the total pension liability	60.55%	60.36%	71.71%	62.05%	63.30%	63.07%	61.98%	62.32%	65.81%	66.57%
Covered payroll	\$ 17,595,173	\$ 17,257,920	\$ 16,442,390	\$ 16,067,107	\$ 22,211,287	\$ 28,442,831	\$ 27,088,471	\$ 24,092,535	\$ 22,899,741	\$ 21,936,448
Net pension liability as a percentage of covered payroll	1089.42%	1085.05%	763.34%	1015.62%	687.05%	519.07%	537.65%	545.28%	502.96%	509.41%

City of San Mateo
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pension
For the Year Ended June 30, 2024

Miscellaneous Plan

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 10,792,135	\$ 10,683,495	\$ 9,953,731	\$ 8,968,085	\$ 8,308,301
Contributions in relation to the actuarially determined contributions	(10,792,135)	(10,683,495)	(9,953,731)	(8,968,085)	(8,308,301)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 40,268,344	\$ 38,292,673	\$ 36,700,692	\$ 36,154,902	\$ 35,484,738
Contributions as a percentage of covered payroll	26.80%	27.90%	27.12%	24.80%	23.41%
 Fiscal Year:	 2018-19	 2017-18	 2016-17	 2015-16	 2014-15
Contractually determined contribution (actuarially determined)	\$ 7,343,001	\$ 6,287,697	\$ 5,873,612	\$ 5,331,714	\$ 4,415,313
Contributions in relation to the actuarially determined contributions	(7,343,001)	(6,287,697)	(5,873,612)	(5,331,714)	(4,415,313)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 35,068,361	\$ 34,688,256	\$ 31,556,856	\$ 28,252,538	\$ 26,888,005
Contributions as a percentage of covered payroll	20.94%	18.13%	18.61%	18.87%	16.42%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale-MP 2016 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, 2024

Safety Plan

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 17,313,205	\$ 16,292,527	\$ 14,717,993	\$ 13,566,455	\$ 12,284,260
Contributions in relation to the actuarially determined contributions	(17,313,205)	(16,292,527)	(14,717,993)	(13,566,455)	(12,284,260)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,524,472	\$ 17,595,173	\$ 17,257,920	\$ 16,442,390	\$ 16,067,107
Contributions as a percentage of covered payroll	88.67%	92.60%	85.28%	82.51%	76.46%

Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 12,496,190	\$ 12,011,260	\$ 11,663,623	\$ 10,576,566	\$ 9,444,848
Contributions in relation to the actuarially determined contributions	(14,121,190)	(13,411,260)	(13,038,623)	(10,576,566)	(9,444,848)
Contribution deficiency (excess)	<u>\$ (1,625,000)</u>	<u>\$ (1,400,000)</u>	<u>\$ (1,375,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 22,211,287	\$ 28,442,831	\$ 27,088,471	\$ 24,092,535	\$ 22,899,741
Contributions as a percentage of covered payroll	63.58%	47.15%	48.13%	43.90%	41.24%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale-MP 2016 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, 2024

	2024	2023	2022	2021	2020	2019	2018
For the Measurement Period:	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017 ¹
Total OPEB Liability:							
Service Cost	\$ 563,606	\$ 548,522	\$ 497,327	\$ 482,842	\$ 692,000	\$ 672,000	\$ 653,000
Interest on the total OPEB liability	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	4,098,199	-	(670,829)	-	(3,453,000)	-	-
Changes in assumptions	(1,405,066)	-	(86,901)	-	(509,000)	-	-
Benefit payments	(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	3,223,321	478,948	(246,057)	415,683	(3,106,000)	689,000	715,000
Beginning of Year	17,257,574	16,778,626	17,024,683	16,609,000	19,715,000	19,026,000	18,311,000
End of Year	\$ 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	\$ 1,193,000	\$ 2,056,602	\$ 1,817,000	\$ 1,825,000	\$ 1,950,000	\$ 1,913,000	\$ 1,852,000
Employee contributions	-	-	-	-	-	-	-
Net investment income	683,260	(1,364,786)	2,140,859	239,112	495,000	372,000	334,000
Administrative expenses	(2,754)	(9,587)	(9,723)	(11,386)	(7,000)	(7,000)	(2,000)
Benefit payments	(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	761,029	(435,367)	2,817,892	871,726	1,264,000	1,009,000	1,006,000
Beginning of Year	8,830,251	9,265,618	6,447,726	5,576,000	4,312,000	3,303,000	2,297,000
End of Year	\$ 9,591,280	\$ 8,830,251	\$ 9,265,618	\$ 6,447,726	\$ 5,576,000	\$ 4,312,000	\$ 3,303,000
Net OPEB Liability	\$ 10,889,615	\$ 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	46.83%	51.17%	55.22%	37.87%	33.57%	21.87%	17.36%
Covered Payroll	\$ 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	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, 2024

	2023-24	2022-23	2021-22	2020-21	2019-20
Actuarially determined contribution	\$ 1,237,000	\$ 1,193,000	\$ 1,319,000	\$ 1,281,000	\$ 1,817,000
Contributions in relation to the actuarially determined contributions	(1,237,000)	(1,193,000)	(2,056,602)	(1,817,000)	(1,825,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ (737,602)	\$ (536,000)	\$ (8,000)
Covered-employee payroll	\$ 64,907,000	\$ 60,964,235	\$ 59,443,000	\$ 57,176,000	\$ 55,405,000
Contributions as a percentage of covered-employee payroll	1.91%	1.94%	3.46%	3.18%	3.29%
	2018-19	2017-18 ¹			
Actuarially determined contribution	\$ 1,764,000	\$ 1,913,000			
Contributions in relation to the actuarially determined contributions	(1,950,000)	(1,913,000)			
Contribution deficiency (excess)	\$ (186,000)	\$ -			
Covered-employee payroll	\$ 62,798,000	\$ 66,133,000			
Contributions as a percentage of covered-employee payroll	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	16-year fixed period for 2022-2023
Asset valuation method	Actuarial value of assets. Investment gains and losses spread over 5-year rolling period.
Inflation	2.50%
Investment rate of return	6.25%
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 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

¹ Historical information is presented only from the implementation year.

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SUPPLEMENTARY INFORMATION

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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.

Debt Service Funds:

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.

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

Capital Projects Funds:

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, 2024

	Special Revenue			
	Police Grants Fund	Community Development Block Grant Fund	HOME Fund	City Housing Fund
ASSETS				
Cash and investments	\$ 244,334	\$ 77,122	\$ 292,098	\$ 1,143,075
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	155,040	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	207,197	55,965	-	-
Loans and notes receivable, net	-	367,773	216,305	54,684
Total assets	\$ 606,571	\$ 500,860	\$ 508,403	\$ 1,197,759
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	49,935	29,933	-	-
Deposits payable	-	-	-	-
Unearned revenues	25,443	-	300	-
Total liabilities	75,378	29,933	300	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	79,851	24,787	-
Total deferred inflows of resources	-	79,851	24,787	-
Fund Balances:				
Restricted	531,193	391,076	483,316	1,197,759
Total fund balances	531,193	391,076	483,316	1,197,759
Total liabilities, deferred inflows of resources, and fund balances	\$ 606,571	\$ 500,860	\$ 508,403	\$ 1,197,759

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	Special Revenue			
	Low & Moderate Income Housing Fund	Permanent Local Housing Allocation Fund	Gas Tax Fund	Road Maintenance and Rehabilitation Fund
ASSETS				
Cash and investments	\$ 2,447,758	\$ 533,287	\$ 1,518,169	\$ 7,016,965
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	-	-	-
Taxes receivable	-	-	250,276	475,608
Grants receivable	-	-	-	-
Loans and notes receivable, net	2,881,365	-	-	-
Total assets	<u>\$ 5,329,123</u>	<u>\$ 533,287</u>	<u>\$ 1,768,445</u>	<u>\$ 7,492,573</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	522	21,792	-	-
Deposits payable	167	-	-	-
Unearned revenues	-	501,471	-	-
Total liabilities	<u>689</u>	<u>523,263</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	193,230	-	-	-
Total deferred inflows of resources	<u>193,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	5,135,204	10,024	1,768,445	7,492,573
Total fund balances	<u>5,135,204</u>	<u>10,024</u>	<u>1,768,445</u>	<u>7,492,573</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,329,123</u>	<u>\$ 533,287</u>	<u>\$ 1,768,445</u>	<u>\$ 7,492,573</u>

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	Special Revenue			
	Advance Planning Fund	Solid Waste Fund	Parks and Recreation Fund	Traffic Impact Fee Fund
ASSETS				
Cash and investments	\$ 5,621,105	\$ 15,438,919	\$ 19,442,376	\$ 56,420
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	353,401	-	-
Taxes receivable	-	-	-	-
Grants receivable	248,266	-	-	-
Loans and notes receivable, net	-	-	-	-
Total assets	<u>\$ 5,869,371</u>	<u>\$ 15,792,320</u>	<u>\$ 19,442,376</u>	<u>\$ 56,420</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	28,362	1,034,468	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	334,785	-	-
Total liabilities	<u>28,362</u>	<u>1,369,253</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	<u>5,841,009</u>	<u>14,423,067</u>	<u>19,442,376</u>	<u>56,420</u>
Total fund balances	<u>5,841,009</u>	<u>14,423,067</u>	<u>19,442,376</u>	<u>56,420</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,869,371</u>	<u>\$ 15,792,320</u>	<u>\$ 19,442,376</u>	<u>\$ 56,420</u>

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	Special Revenue		Debt Service	
	Commercial Linkage Fee Fund	Construction Services Fund	Landfill Bonds Fund	General Obligation Bonds Fund
ASSETS				
Cash and investments	\$ 3,405,093	\$ 28,917,294	\$ 4,496,451	\$ 7,593,940
Restricted cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	346,468	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	38,100	-	-
Loans and notes receivable, net	-	-	-	-
Total assets	<u>\$ 3,405,093</u>	<u>\$ 29,301,862</u>	<u>\$ 4,496,451</u>	<u>\$ 7,593,940</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	341,662	6,449	2,125
Deposits payable	-	260,708	-	-
Unearned revenues	-	1,765,575	-	-
Total liabilities	<u>-</u>	<u>2,367,945</u>	<u>6,449</u>	<u>2,125</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	3,405,093	26,933,917	4,490,002	7,591,815
Total fund balances	<u>3,405,093</u>	<u>26,933,917</u>	<u>4,490,002</u>	<u>7,591,815</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,405,093</u>	<u>\$ 29,301,862</u>	<u>\$ 4,496,451</u>	<u>\$ 7,593,940</u>

(Continued)

City of San Mateo
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	<u>Capital Projects</u>	
	<u>2% Hotel Tax Fund</u>	<u>Total Other Governmental Funds</u>
ASSETS		
Cash and investments	\$ 80,795	\$ 98,325,201
Restricted cash and investments held by fiscal agents	35,883	35,883
Accounts receivable, net	-	854,909
Taxes receivable	78,824	804,708
Grants receivable	-	549,528
Loans and notes receivable, net	-	3,520,127
Total assets	<u>\$ 195,502</u>	<u>\$ 104,090,356</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	16,597	1,531,845
Deposits payable	-	260,875
Unearned revenues	-	2,627,574
Total liabilities	<u>16,597</u>	<u>4,420,294</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	-	297,868
Total deferred inflows of resources	<u>-</u>	<u>297,868</u>
Fund Balances:		
Restricted	178,905	99,372,194
Total fund balances	<u>178,905</u>	<u>99,372,194</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 195,502</u>	<u>\$ 104,090,356</u>

(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, 2024

	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	218,732	-	-	-
Intergovernmental	959,315	181,260	-	-
Charges for services	-	-	-	-
Investment income	15,158	-	-	-
Assessments and garbage collection	-	-	-	-
Capital contributions	-	-	-	-
Other revenues	-	22,273	81,646	231,660
Total revenues	1,193,205	203,533	81,646	231,660
EXPENDITURES:				
Current:				
General government:				
City Manager	-	-	-	-
City Attorney	-	-	-	-
Information technology	-	-	-	-
Community development	-	217,619	1,095	-
Public safety:				
Police	960,900	-	-	-
Public works	-	-	-	-
Non-departmental	-	-	-	-
Capital outlay	92,713	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,053,613	217,619	1,095	-
REVENUES OVER (UNDER) EXPENDITURES	139,592	(14,086)	80,551	231,660
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	139,592	(14,086)	80,551	231,660
FUND BALANCES:				
Beginning of year, as previously reported	391,601	405,162	402,765	966,099
Change with financial reporting entity (major to non major fund)	-	-	-	-
Beginning of year, as restated (Note 19)	391,601	405,162	402,765	966,099
End of year	<u>\$ 531,193</u>	<u>\$ 391,076</u>	<u>\$ 483,316</u>	<u>\$ 1,197,759</u>

(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, 2024

	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	-	304,820	2,892,843	2,729,016
Charges for services	-	-	-	-
Investment income	162,850	7,309	66,100	249,987
Assessments and garbage collection	-	-	-	-
Capital contributions	-	-	-	-
Other revenues	301,593	-	-	-
Total revenues	464,443	312,129	2,958,943	2,979,003
EXPENDITURES:				
Current:				
General government:				
City Manager	-	-	-	-
City Attorney	-	-	-	-
Information technology	-	-	-	-
Community development	40,749	304,820	-	-
Public safety:				
Police	-	-	-	-
Public works	-	-	-	-
Non-departmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	40,749	304,820	-	-
REVENUES OVER (UNDER) EXPENDITURES	423,694	7,309	2,958,943	2,979,003
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(2,458,258)	(97,749)
Total other financing sources (uses)	-	-	(2,458,258)	(97,749)
NET CHANGES IN FUND BALANCES	423,694	7,309	500,685	2,881,254
FUND BALANCES:				
Beginning of year, as previously reported	4,711,510	2,715	1,267,760	4,611,319
Change with financial reporting entity (major to non major fund)	-	-	-	-
Beginning of year, as restated (Note 19)	4,711,510	2,715	1,267,760	4,611,319
End of year	<u>\$ 5,135,204</u>	<u>\$ 10,024</u>	<u>\$ 1,768,445</u>	<u>\$ 7,492,573</u>

(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, 2024

	Special Revenue			
	Advance Planning Fund	Solid Waste Fund	Parks and Recreation Fund	Traffic Impact Fee Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses, building and other permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Intergovernmental	368,936	105,841	-	-
Charges for services	1,744,137	1,080,976	-	-
Investment income	255,174	706,390	729,113	14,508
Assessments and garbage collection	-	1,750,309	159,539	-
Capital contributions	-	600,000	7,317,600	773,139
Other revenues	-	50,312	-	-
Total revenues	2,368,247	4,293,828	8,206,252	787,647
EXPENDITURES:				
Current:				
General government:				
City Manager	9,850	-	-	-
City Attorney	-	-	-	-
Information technology	-	-	-	-
Community development	1,622,193	-	-	-
Public safety:				
Police	-	-	-	-
Public works	-	3,592,804	-	-
Non-departmental	-	-	16,881	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,632,043	3,592,804	16,881	-
REVENUES OVER (UNDER) EXPENDITURES	736,204	701,024	8,189,371	787,647
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(437,480)	(1,032,914)	(1,046,931)
Total other financing sources (uses)	-	(437,480)	(1,032,914)	(1,046,931)
NET CHANGES IN FUND BALANCES	736,204	263,544	7,156,457	(259,284)
FUND BALANCES:				
Beginning of year, as previously reported	5,104,805	14,159,523	12,285,919	315,704
Change with financial reporting entity (major to non major fund)	-	-	-	-
Beginning of year, as restated (Note 19)	5,104,805	14,159,523	12,285,919	315,704
End of year	<u>\$ 5,841,009</u>	<u>\$ 14,423,067</u>	<u>\$ 19,442,376</u>	<u>\$ 56,420</u>

(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, 2024

	Special Revenue		Debt Service	
	Commercial Linkage Fee Fund	Construction Services Fund	Landfill Bonds Fund	General Obligation Bonds Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ 2,724,717
Other taxes	-	-	-	-
Licenses, building and other permits	-	7,248,749	-	-
Fines, forfeitures and penalties	-	-	-	-
Intergovernmental	-	38,100	-	-
Charges for services	-	2,746,219	-	-
Investment income	164,327	1,608,951	210,231	314,808
Assessments and garbage collection	-	-	450,000	-
Capital contributions	-	-	-	-
Other revenues	-	55	-	-
Total revenues	<u>164,327</u>	<u>11,642,074</u>	<u>660,231</u>	<u>3,039,525</u>
EXPENDITURES:				
Current:				
General government:				
City Manager	-	115,164	-	-
City Attorney	-	229,587	-	-
Information technology	-	123,895	-	-
Community development	-	9,946,353	-	-
Public safety:				
Police	-	-	-	-
Public works	-	1,094,733	88,049	-
Non-departmental	5,085	-	-	122,851
Capital outlay	-	25,855	-	-
Debt service:				
Principal	-	-	-	2,485,000
Interest and fiscal charges	-	-	-	2,193,200
Total expenditures	<u>5,085</u>	<u>11,535,587</u>	<u>88,049</u>	<u>4,801,051</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>159,242</u>	<u>106,487</u>	<u>572,182</u>	<u>(1,761,526)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	2,691,887
Transfers out	-	(5,800,330)	(35,947)	-
Total other financing sources (uses)	<u>-</u>	<u>(5,800,330)</u>	<u>(35,947)</u>	<u>2,691,887</u>
NET CHANGES IN FUND BALANCES	159,242	(5,693,843)	536,235	930,361
FUND BALANCES:				
Beginning of year, as previously reported	3,245,851	-	3,953,767	6,661,454
Change with financial reporting entity (major to non major fund)	-	32,627,760	-	-
Beginning of year, as restated (Note 19)	3,245,851	32,627,760	3,953,767	6,661,454
End of year	<u>\$ 3,405,093</u>	<u>\$ 26,933,917</u>	<u>\$ 4,490,002</u>	<u>\$ 7,591,815</u>

(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, 2024

	<u>Capital Projects</u>	
	<u>2% Hotel Tax Fund</u>	<u>Total Other Governmental Funds</u>
REVENUES:		
Property taxes	\$ -	\$ 2,724,717
Other taxes	887,679	887,679
Licenses, building and other permits	-	7,248,749
Fines, forfeitures and penalties	-	218,732
Intergovernmental	-	7,580,131
Charges for services	-	5,571,332
Investment income	13,554	4,518,460
Assessments and garbage collection	-	2,359,848
Capital contributions	-	8,690,739
Other revenues	-	687,539
Total revenues	<u>901,233</u>	<u>40,487,926</u>
EXPENDITURES:		
Current:		
General government:		
City Manager	-	125,014
City Attorney	-	229,587
Information technology	-	123,895
Community development	-	12,132,829
Public safety:		
Police	-	960,900
Public works	-	4,775,586
Non-departmental	144,933	289,750
Capital outlay	-	118,568
Debt service:		
Principal	510,000	2,995,000
Interest and fiscal charges	326,307	2,519,507
Total expenditures	<u>981,240</u>	<u>24,270,636</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(80,007)</u>	<u>16,217,290</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	2,691,887
Transfers out	-	(10,909,609)
Total other financing sources (uses)	<u>-</u>	<u>(8,217,722)</u>
NET CHANGES IN FUND BALANCES	<u>(80,007)</u>	<u>7,999,568</u>
FUND BALANCES:		
Beginning of year, as previously reported	<u>258,912</u>	<u>58,744,866</u>
Change with financial reporting entity (major to non major fund)	<u>-</u>	<u>32,627,760</u>
Beginning of year, as restated (Note 19)	<u>258,912</u>	<u>91,372,626</u>
End of year	<u>\$ 178,905</u>	<u>\$ 99,372,194</u>

(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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 218,732	\$ 218,732
Intergovernmental	563,539	2,330,054	959,315	(1,370,739)
Investment income	6,000	6,000	15,158	9,158
Total revenues	<u>569,539</u>	<u>2,336,054</u>	<u>1,193,205</u>	<u>(1,142,849)</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	863,856	2,485,658	960,900	1,524,758
Capital outlay	-	144,713	92,713	52,000
Total expenditures	<u>863,856</u>	<u>2,630,371</u>	<u>1,053,613</u>	<u>1,576,758</u>
NET CHANGES IN FUND BALANCE	<u>\$ (294,317)</u>	<u>\$ (294,317)</u>	139,592	<u>\$ 433,909</u>
FUND BALANCE:				
Beginning of year			<u>391,601</u>	
End of year			<u>\$ 531,193</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 696,000	\$ 696,000	\$ 181,260	\$ (514,740)
Other revenues	8,000	8,000	22,273	14,273
Total revenues	704,000	704,000	203,533	(500,467)
EXPENDITURES:				
Current:				
Community development	252,899	252,899	217,619	35,280
Total expenditures	252,899	252,899	217,619	35,280
REVENUES OVER (UNDER) EXPENDITURES	451,101	451,101	(14,086)	(535,747)
OTHER FINANCING SOURCES (USES):				
Transfers out	(610,000)	(610,000)	-	610,000
Total other financing sources (uses)	(610,000)	(610,000)	-	610,000
NET CHANGES IN FUND BALANCE	\$ (158,899)	\$ (158,899)	(14,086)	\$ 74,253
FUND BALANCE:				
Beginning of year			405,162	
End of year			<u>\$ 391,076</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Other revenues	\$ 15,000	\$ 15,000	\$ 81,646	\$ 66,646
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>81,646</u>	<u>66,646</u>
EXPENDITURES:				
Current:				
Community development	10,000	10,000	1,095	8,905
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,095</u>	<u>8,905</u>
NET CHANGES IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	80,551	<u>\$ 75,551</u>
FUND BALANCE:				
Beginning of year			402,765	
End of year			<u>\$ 483,316</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Other revenues	16,000	16,000	231,660	215,660
Total revenues	<u>34,000</u>	<u>34,000</u>	<u>231,660</u>	<u>197,660</u>
EXPENDITURES:				
Current:				
Community development	198,500	198,500	-	198,500
Total expenditures	<u>198,500</u>	<u>198,500</u>	<u>-</u>	<u>198,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(164,500)</u>	<u>(164,500)</u>	<u>231,660</u>	<u>(840)</u>
NET CHANGES IN FUND BALANCE	<u><u>\$ (164,500)</u></u>	<u><u>\$ (164,500)</u></u>	<u>231,660</u>	<u><u>\$ 396,160</u></u>
FUND BALANCE:				
Beginning of year			<u>966,099</u>	
End of year			<u><u>\$ 1,197,759</u></u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 73,000	\$ 73,000	\$ 162,850	\$ 89,850
Other revenues	214,000	214,000	301,593	87,593
Total revenues	287,000	287,000	464,443	177,443
EXPENDITURES:				
Current:				
Community development	146,399	146,399	40,749	105,650
Total expenditures	146,399	146,399	40,749	105,650
NET CHANGES IN FUND BALANCE	\$ 140,601	\$ 140,601	423,694	\$ 71,793
FUND BALANCE:				
Beginning of year			4,711,510	
End of year			\$ 5,135,204	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 500,000	\$ 1,084,800	\$ 304,820	\$ (779,980)
Investment income	-	-	7,309	7,309
Total revenues	<u>500,000</u>	<u>1,084,800</u>	<u>312,129</u>	<u>(772,671)</u>
EXPENDITURES:				
Current:				
Community development	500,000	1,267,460	304,820	962,640
Total expenditures	<u>500,000</u>	<u>1,267,460</u>	<u>304,820</u>	<u>962,640</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ (182,660)</u>	7,309	<u>\$ 189,969</u>
FUND BALANCE:				
Beginning of year			2,715	
End of year			<u>\$ 10,024</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 3,018,448	\$ 3,018,448	\$ 2,892,843	\$ (125,605)
Investment income	12,000	12,000	66,100	54,100
Total revenues	<u>3,030,448</u>	<u>3,030,448</u>	<u>2,958,943</u>	<u>(71,505)</u>
OTHER FINANCING (USES):				
Transfers out	<u>(2,267,500)</u>	<u>(2,267,500)</u>	<u>(2,458,258)</u>	<u>(190,758)</u>
Total other financing (uses)	<u>(2,267,500)</u>	<u>(2,267,500)</u>	<u>(2,458,258)</u>	<u>(190,758)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 762,948</u>	<u>\$ 762,948</u>	500,685	<u>\$ (262,263)</u>
FUND BALANCE:				
Beginning of year			<u>1,267,760</u>	
End of year			<u>\$ 1,768,445</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 2,614,190	\$ 2,614,190	\$ 2,729,016	\$ 114,826
Investment income	17,000	17,000	249,987	232,987
Total revenues	<u>2,631,190</u>	<u>2,631,190</u>	<u>2,979,003</u>	<u>347,813</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,000,000)	(2,000,000)	(97,749)	1,902,251
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(97,749)</u>	<u>1,902,251</u>
NET CHANGES IN FUND BALANCE	<u>\$ 631,190</u>	<u>\$ 631,190</u>	2,881,254	<u>\$ 2,250,064</u>
FUND BALANCE:				
Beginning of year			4,611,319	
End of year			<u>\$ 7,492,573</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 368,936	\$ 318,936
Charges for services	1,700,000	1,700,000	1,744,137	44,137
Investment income	92,000	92,000	255,174	163,174
Total revenues	1,842,000	1,842,000	2,368,247	526,247
EXPENDITURES:				
Current:				
General government:				
City Manager	-	166,300	9,850	156,450
Community development	1,422,665	1,422,665	1,622,193	(199,528)
Total expenditures	1,422,665	1,588,965	1,632,043	(43,078)
NET CHANGES IN FUND BALANCE	\$ 419,335	\$ 253,035	736,204	\$ 569,325
FUND BALANCE:				
Beginning of year			5,104,805	
End of year			<u>\$ 5,841,009</u>	

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Intergovernmental	214,000	214,000	105,841	(108,159)
Charges for services	750,000	750,000	1,080,976	330,976
Investment income	160,000	160,000	706,390	546,390
Assessments and garbage collection	1,076,160	1,076,160	1,750,309	674,149
Capital contributions	750,000	750,000	600,000	(150,000)
Other revenues	82,000	82,000	50,312	(31,688)
Total revenues	<u>3,432,160</u>	<u>3,432,160</u>	<u>4,293,828</u>	<u>861,668</u>
EXPENDITURES:				
Current:				
Public works	2,848,189	3,848,189	3,592,804	255,385
Capital outlay	410,000	410,000	-	410,000
Total expenditures	<u>3,258,189</u>	<u>4,258,189</u>	<u>3,592,804</u>	<u>665,385</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>173,971</u>	<u>(826,029)</u>	<u>701,024</u>	<u>196,283</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(750,000)	(750,000)	(437,480)	312,520
Total other financing sources (uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(437,480)</u>	<u>312,520</u>
NET CHANGES IN FUND BALANCE	<u>\$ (576,029)</u>	<u>\$ (1,576,029)</u>	263,544	<u>\$ 508,803</u>
FUND BALANCE:				
Beginning of year			<u>14,159,523</u>	
End of year			<u>\$ 14,423,067</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 187,000	\$ 187,000	\$ 729,113	\$ 542,113
Assessments and garbage collection	-	-	159,539	159,539
Capital contributions	10,780,136	10,780,136	7,317,600	(3,462,536)
Total revenues	10,967,136	10,967,136	8,206,252	(2,760,884)
EXPENDITURES:				
Current:				
Non-departmental	16,882	16,882	16,881	1
Total expenditures	16,882	16,882	16,881	1
REVENUES OVER (UNDER) EXPENDITURES	10,950,254	10,950,254	8,189,371	(2,760,885)
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,050,000)	(3,050,000)	(1,032,914)	2,017,086
Total other financing sources (uses)	(3,050,000)	(3,050,000)	(1,032,914)	2,017,086
NET CHANGES IN FUND BALANCE	\$ 7,900,254	\$ 7,900,254	7,156,457	\$ (743,799)
FUND BALANCE:				
Beginning of year			12,285,919	
End of year			\$ 19,442,376	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 32,000	\$ 32,000	\$ 14,508	\$ (17,492)
Capital contributions	2,505,482	2,505,482	773,139	(1,732,343)
Total revenues	<u>2,537,482</u>	<u>2,537,482</u>	<u>787,647</u>	<u>(1,749,835)</u>
OTHER FINANCING (USES):				
Transfers out	(49,860)	(49,860)	(1,046,931)	(997,071)
Total other financing (uses)	<u>(49,860)</u>	<u>(49,860)</u>	<u>(1,046,931)</u>	<u>(997,071)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 2,487,622</u>	<u>\$ 2,487,622</u>	(259,284)	<u>\$ (2,746,906)</u>
FUND BALANCE:				
Beginning of year			315,704	
End of year			<u>\$ 56,420</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 125,000	\$ 125,000	\$ 164,327	\$ 39,327
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>164,327</u>	<u>39,327</u>
EXPENDITURES:				
Current:				
Non-departmental	5,085	5,085	5,085	-
Total expenditures	<u>5,085</u>	<u>5,085</u>	<u>5,085</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ 119,915</u>	<u>\$ 119,915</u>	159,242	<u>\$ 39,327</u>
FUND BALANCE:				
Beginning of year			3,245,851	
End of year			<u>\$ 3,405,093</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Licenses, building and other permits	\$ 7,185,100	\$ 7,185,100	\$ 7,248,749	\$ 63,649
Intergovernmental	-	-	38,100	38,100
Charges for services	1,156,000	1,156,000	2,746,219	1,590,219
Investment income	479,000	479,000	1,608,951	1,129,951
Other revenues	-	-	55	55
Total revenues	8,820,100	8,820,100	11,642,074	2,821,974
EXPENDITURES:				
Current:				
General government:				
City Manager	112,698	112,698	115,164	(2,466)
City Attorney	193,156	193,156	229,587	(36,431)
Information technology	118,258	118,258	123,895	(5,637)
Community development	10,973,556	10,973,556	9,946,353	1,027,203
Public works	1,061,401	1,061,401	1,094,733	(33,332)
Capital outlay	-	-	25,855	(25,855)
Total expenditures	12,459,069	12,459,069	11,535,587	923,482
REVENUES OVER (UNDER) EXPENDITURES	(3,638,969)	(3,638,969)	106,487	1,898,492
OTHER FINANCING (USES):				
Transfers out	(5,525,933)	(5,525,933)	(5,800,330)	(274,397)
Total other financing (uses)	(5,525,933)	(5,525,933)	(5,800,330)	(274,397)
NET CHANGES IN FUND BALANCE	\$ (9,164,902)	\$ (9,164,902)	(5,693,843)	\$ 1,624,095
FUND BALANCE:				
Beginning of year			32,627,760	
End of year			<u>\$ 26,933,917</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment income	\$ 55,000	\$ 55,000	\$ 210,231	\$ 155,231
Assessments and garbage collection	600,000	600,000	450,000	(150,000)
Total revenues	<u>655,000</u>	<u>655,000</u>	<u>660,231</u>	<u>5,231</u>
EXPENDITURES:				
Current:				
Public works	96,586	96,586	88,049	8,537
Total expenditures	<u>96,586</u>	<u>96,586</u>	<u>88,049</u>	<u>8,537</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>558,414</u>	<u>558,414</u>	<u>572,182</u>	<u>(3,306)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(35,947)	(35,947)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(35,947)</u>	<u>(35,947)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 558,414</u>	<u>\$ 558,414</u>	536,235	<u>\$ (22,179)</u>
FUND BALANCE:				
Beginning of year			3,953,767	
End of year			<u>\$ 4,490,002</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Property taxes	\$ 2,049,050	\$ 2,049,050	\$ 2,724,717	\$ 675,667
Investment income	99,000	99,000	314,808	215,808
Total revenues	<u>2,148,050</u>	<u>2,148,050</u>	<u>3,039,525</u>	<u>891,475</u>
EXPENDITURES:				
Current:				
Non-departmental	121,477	121,477	122,851	(1,374)
Debt service:				
Principal	2,485,000	2,485,000	2,485,000	-
Interest and fiscal charges	2,193,200	2,193,200	2,193,200	-
Total expenditures	<u>4,799,677</u>	<u>4,799,677</u>	<u>4,801,051</u>	<u>(1,374)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,651,627)</u>	<u>(2,651,627)</u>	<u>(1,761,526)</u>	<u>890,101</u>
OTHER FINANCING SOURCES:				
Transfers in	2,691,887	2,691,887	2,691,887	-
Total other financing sources	<u>2,691,887</u>	<u>2,691,887</u>	<u>2,691,887</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ 40,260</u>	<u>\$ 40,260</u>	930,361	<u>\$ 890,101</u>
FUND BALANCE:				
Beginning of year			6,661,454	
End of year			<u>\$ 7,591,815</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Other taxes	\$ 1,000,000	\$ 1,000,000	\$ 887,679	\$ (112,321)
Investment income	-	-	13,554	13,554
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>901,233</u>	<u>(98,767)</u>
EXPENDITURES:				
Current:				
Non-departmental	138,889	138,889	144,933	(6,044)
Debt service:				
Principal	510,000	510,000	510,000	-
Interest and fiscal charges	328,000	328,000	326,307	1,693
Total expenditures	<u>976,889</u>	<u>976,889</u>	<u>981,240</u>	<u>(4,351)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 23,111</u>	<u>\$ 23,111</u>	(80,007)	<u>\$ (103,118)</u>
FUND BALANCE:				
Beginning of year			258,912	
End of year			<u>\$ 178,905</u>	

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, 2024

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
ASSETS				
Current assets:				
Cash and investments	\$ 21,130,235	\$ 839,569	\$ 486,131	\$ 1,872,569
Accounts receivable, net	-	-	723,787	-
Prepaid items, inventory, and deposits	395,000	147,000	-	30,000
Total current assets	21,525,235	986,569	1,209,918	1,902,569
Noncurrent assets:				
Capital assets:				
Depreciable, net	-	-	-	-
Total capital assets	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	21,525,235	986,569	1,209,918	1,902,569
LIABILITIES				
Current liabilities:				
Accounts payable	72,609	51,371	12,568	285,996
Deposits payable	-	-	113,014	-
Claims payable - due within one year	2,743,000	-	-	1,301,000
Total current liabilities	2,815,609	51,371	125,582	1,586,996
Noncurrent liabilities:				
Claims payable - due in more than one year	11,115,000	-	-	2,739,000
Total noncurrent liabilities	11,115,000	-	-	2,739,000
Total liabilities	13,930,609	51,371	125,582	4,325,996
NET POSITION				
Net investment in capital assets	-	-	-	-
Unrestricted (deficit)	7,594,626	935,198	1,084,336	(2,423,427)
Total net position	\$ 7,594,626	\$ 935,198	\$ 1,084,336	\$ (2,423,427)

City of San Mateo
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2024

	Vehicle and Equipment Replacement	Fleet and Building Maintenance	Total
ASSETS			
Current assets:			
Cash and investments	\$ 11,178,759	\$ 434,887	\$ 35,942,150
Accounts receivable, net	-	-	723,787
Prepaid items, inventory, and deposits	-	32,174	604,174
Total current assets	11,178,759	467,061	37,270,111
Noncurrent assets:			
Capital assets:			
Depreciable, net	7,046,991	70,655	7,117,646
Total capital assets	7,046,991	70,655	7,117,646
Total noncurrent assets	7,046,991	70,655	7,117,646
Total assets	18,225,750	537,716	44,387,757
LIABILITIES			
Current liabilities:			
Accounts payable	99,490	342,040	864,074
Deposits payable	-	-	113,014
Claims payable - due within one year	-	-	4,044,000
Total current liabilities	99,490	342,040	5,021,088
Noncurrent liabilities:			
Claims payable - due in more than one year	-	-	13,854,000
Total noncurrent liabilities	-	-	13,854,000
Total liabilities	99,490	342,040	18,875,088
NET POSITION			
Net investment in capital assets	7,046,991	70,655	7,117,646
Unrestricted (deficit)	11,079,269	125,021	18,395,023
Total net position	\$ 18,126,260	\$ 195,676	\$ 25,512,669

City of San Mateo
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
OPERATING REVENUES:				
Charges for services	\$ 4,383,314	\$ 752,013	\$ 44,516,220	\$ 2,793,000
Other	-	-	-	10,571,570
Total operating revenues	4,383,314	752,013	44,516,220	13,364,570
OPERATING EXPENSES:				
Personnel services	402,930	-	43,874,661	149,250
Materials and supplies	3,755,628	815,539	111,499	4,652,903
Depreciation and amortization	-	-	-	-
Total operating expenses	4,158,558	815,539	43,986,160	4,802,153
OPERATING INCOME (LOSS)	224,756	(63,526)	530,060	8,562,417
NONOPERATING REVENUES (EXPENSES):				
Investment income	979,227	-	-	71,605
Gain on sale of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	979,227	-	-	71,605
INCOME (LOSS) BEFORE TRANSFERS	1,203,983	(63,526)	530,060	8,634,022
TRANSFERS:				
Transfers in	-	-	-	1,000,000
Transfers out	-	-	-	-
Total transfers	-	-	-	1,000,000
Changes in net position	1,203,983	(63,526)	530,060	9,634,022
NET POSITION:				
Beginning of year	6,390,643	998,724	554,276	(12,057,449)
End of year	<u>\$ 7,594,626</u>	<u>\$ 935,198</u>	<u>\$ 1,084,336</u>	<u>\$ (2,423,427)</u>

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, 2024

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
OPERATING REVENUES:			
Charges for services	\$ 1,897,309	\$ 5,411,666	\$ 59,753,522
Other	2,112	6,090	10,579,772
Total operating revenues	<u>1,899,421</u>	<u>5,417,756</u>	<u>70,333,294</u>
OPERATING EXPENSES:			
Personnel services	-	1,697,768	46,124,609
Materials and supplies	1,444,599	4,358,304	15,138,472
Depreciation and amortization	1,266,565	4,486	1,271,051
Total operating expenses	<u>2,711,164</u>	<u>6,060,558</u>	<u>62,534,132</u>
OPERATING INCOME (LOSS)	<u>(811,743)</u>	<u>(642,802)</u>	<u>7,799,162</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	597,750	-	1,648,582
Gain on sale of capital assets	74,946	-	74,946
Total nonoperating revenues (expenses)	<u>672,696</u>	<u>-</u>	<u>1,723,528</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(139,047)</u>	<u>(642,802)</u>	<u>9,522,690</u>
TRANSFERS:			
Transfers in	410,000	-	1,410,000
Transfers out	(913,548)	-	(913,548)
Total transfers	<u>(503,548)</u>	<u>-</u>	<u>496,452</u>
Changes in net position	(642,595)	(642,802)	10,019,142
NET POSITION:			
Beginning of year	18,768,855	838,478	15,493,527
End of year	<u>\$ 18,126,260</u>	<u>\$ 195,676</u>	<u>\$ 25,512,669</u>

City of San Mateo
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2024

	Workers' Compensation Insurance	Dental Self-Insurance	Benefits	Comprehensive Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 4,383,314	\$ 752,013	\$ 44,520,910	\$ 2,793,000
Cash payments to suppliers for goods and services	(1,949,815)	(766,234)	39,249	(15,110,533)
Cash payments to employees for services	(402,930)	-	(43,986,160)	(149,250)
Cash received from others	-	-	-	10,571,570
Net cash provided by (used in) operating activities	2,030,569	(14,221)	573,999	(1,895,213)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund borrowing (lending)	87,868	-	-	-
Repayment of interfund borrowing (lending)	-	-	(87,868)	-
Transfers in	-	-	-	1,000,000
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	87,868	-	(87,868)	1,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
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	979,227	-	-	71,605
Net cash (used in) investing activities	979,227	-	-	71,605
Net change in cash and cash equivalents	3,097,664	(14,221)	486,131	(823,608)
CASH AND CASH EQUIVALENTS:				
Beginning of year	18,032,571	853,790	-	2,696,177
End of year	<u>\$ 21,130,235</u>	<u>\$ 839,569</u>	<u>\$ 486,131</u>	<u>\$ 1,872,569</u>

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	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)	\$ 224,756	\$ (63,526)	\$ 530,060	\$ 8,562,417
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	-	-	4,690	-
Accounts payable	47,813	49,305	(8,651)	112,370
Deposits payable	-	-	47,900	-
Claims payable	1,758,000	-	-	(10,570,000)
Total adjustments	1,805,813	49,305	43,939	(10,457,630)
Net cash provided by (used in) operating activities	\$ 2,030,569	\$ (14,221)	\$ 573,999	\$ (1,895,213)

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,897,309	\$ 5,413,226	\$ 59,759,772
Cash payments to suppliers for goods and services	(1,685,361)	(4,282,707)	(23,755,401)
Cash payments to employees for services	-	(1,697,768)	(46,236,108)
Cash received from others	2,112	6,090	10,579,772
Net cash provided by (used in) operating activities	214,060	(561,159)	348,035
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund borrowing (lending)	-	-	87,868
Repayment of interfund borrowing (lending)	-	-	(87,868)
Transfers in	410,000	-	1,410,000
Transfers out	(913,548)	-	(913,548)
Net cash provided by noncapital financing activities	(503,548)	-	496,452
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	95,291	-	95,291
Acquisition of capital assets, net	(2,219,724)	(27,765)	(2,247,489)
Net cash (used in) capital and related financing activities	(2,124,433)	(27,765)	(2,152,198)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	597,750	-	1,648,582
Net cash (used in) investing activities	597,750	-	1,648,582
Net change in cash and cash equivalents	(1,816,171)	(588,924)	340,871
CASH AND CASH EQUIVALENTS:			
Beginning of year	12,994,930	1,023,811	35,601,279
End of year	<u>\$ 11,178,759</u>	<u>\$ 434,887</u>	<u>\$ 35,942,150</u>

(Continued)

City of San Mateo
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle & Equipment Replacement	Fleet & Building Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (811,743)	\$ (642,802)	\$ 7,799,162
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,266,565	4,486	1,271,051
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	1,560	6,250
Accounts payable	(240,762)	75,597	35,672
Deposits payable	-	-	47,900
Claims payable	-	-	(8,812,000)
Total adjustments	1,025,803	81,643	(7,451,127)
Net cash provided by (used in) operating activities	\$ 214,060	\$ (561,159)	\$ 348,035

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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.

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City of San Mateo
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	San Mateo Consolidated Fire Department	CFD 2008-1	Other	Total
ASSETS				
Cash and investments	\$ 71,087	\$ 3,391,597	\$ 76,028	\$ 3,538,712
Restricted cash and investments	-	3,579,205	-	3,579,205
Total assets	71,087	6,970,802	76,028	7,117,917
LIABILITIES				
Accounts payable	71,087	-	76,028	147,115
Total liabilities	71,087	-	76,028	147,115
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	6,970,802	-	6,970,802
Total Net Position	\$ -	\$ 6,970,802	\$ -	\$ 6,970,802

City of San Mateo
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	San Mateo Consolidated Fire Department	CFD 2008-1	Other	Total
ADDITIONS:				
Fee collections for other governments	\$ 254,597	\$ -	\$ 165,537	\$ 420,134
Special Assessments for other governments	-	4,940,334	-	4,940,334
Investment income	-	181,313	-	181,313
Total additions	<u>254,597</u>	<u>5,121,647</u>	<u>165,537</u>	<u>5,541,781</u>
DEDUCTIONS:				
Administration	-	16,750	57,607	74,357
Payments on conduit bonds - interest	-	3,724,713	-	3,724,713
Payments on conduit bonds - principal	254,597	995,000	107,930	1,357,527
Total deductions	<u>254,597</u>	<u>4,736,463</u>	<u>165,537</u>	<u>5,156,597</u>
Changes in net position	-	385,184	-	385,184
NET POSITION:				
Beginning of year	-	6,585,618	-	6,585,618
End of year	<u>\$ -</u>	<u>\$ 6,970,802</u>	<u>\$ -</u>	<u>\$ 6,970,802</u>

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.

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City of San Mateo
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2024

	RDA Retirement Obligation	Successor Agency to RDA Merged Area	Successor Agency to RDA Housing	Total
ASSETS				
Cash and investments	\$ 5,175,557	\$ -	\$ -	\$ 5,175,557
Restricted cash and investments	-	1	-	1
Total assets	<u>5,175,557</u>	<u>1</u>	<u>-</u>	<u>5,175,558</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	-	113,013	-	113,013
Total deferred outflows of resources	<u>-</u>	<u>113,013</u>	<u>-</u>	<u>113,013</u>
LIABILITIES				
Accounts payable	-	3,188	-	3,188
Interest payable	-	710,209	-	710,209
Long-term debt - due within one year	-	4,270,000	-	4,270,000
Long-term debt - due in more than one year	-	33,100,992	-	33,100,992
Total liabilities	<u>-</u>	<u>38,084,389</u>	<u>-</u>	<u>38,084,389</u>
NET POSITION				
Held in trust for dissolution of RDA	5,175,557	(37,971,375)	-	(32,795,818)
Total Net Position (deficit)	<u>\$ 5,175,557</u>	<u>\$ (37,971,375)</u>	<u>\$ -</u>	<u>\$ (32,795,818)</u>

City of San Mateo
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2024

	RDA Retirement Obligation	Successor Agency to RDA Merged Area	Successor Agency to RDA Housing	Total
ADDITIONS:				
Investment income	\$ 1,084	\$ -	\$ -	\$ 1,084
RDA property tax trust fund distribution	99,450	5,885,050	10,000	5,994,500
Total additions	<u>100,534</u>	<u>5,885,050</u>	<u>10,000</u>	<u>5,995,584</u>
DEDUCTIONS:				
Administration	-	13,188	10,000	23,188
Interest expense	-	1,252,679	-	1,252,679
Total deductions	<u>-</u>	<u>1,265,867</u>	<u>10,000</u>	<u>1,275,867</u>
Changes in net position	100,534	4,619,183	-	4,719,717
NET POSITION:				
Beginning of year	5,075,023	(42,590,558)	-	(37,515,535)
End of year	<u>\$ 5,175,557</u>	<u>\$ (37,971,375)</u>	<u>\$ -</u>	<u>\$ (32,795,818)</u>

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.

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City of San Mateo
General Capital Projects Fund
Schedule of Assessments and Impact Fees and Related Expenditures
For the Year Ended June 30, 2024

	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	\$ 537,912	\$ -	\$ -	\$ -	\$ -	\$ 537,912
Impact fees	-	771,455	9,548	201,997	91,216	1,074,216
Interest income	-	38,699	71,251	7,426	40,413	157,789
Total revenues	<u>537,912</u>	<u>810,154</u>	<u>80,799</u>	<u>209,423</u>	<u>131,629</u>	<u>1,769,917</u>
EXPENDITURES:						
Capital outlay	7,733	-	430,000	171,986	36,850	646,569
Debt service	385,754	-	-	-	-	385,754
Total expenditures	<u>393,487</u>	<u>-</u>	<u>430,000</u>	<u>171,986</u>	<u>36,850</u>	<u>1,032,323</u>
UNEXPENDED BALANCES:						
Beginning of year	2,300,064	55,469	2,211,422	1,094,906	1,257,627	6,919,488
End of year	<u>\$ 2,444,489</u>	<u>\$ 865,623</u>	<u>\$ 1,862,221</u>	<u>\$ 1,132,343</u>	<u>\$ 1,352,406</u>	<u>\$ 7,657,082</u>

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STATISTICAL SECTION

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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	192
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	204
These schedules contain information to help the reader assess the City's most significant local revenues source: property tax	
Debt Capacity	210
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.	
Demographic and Economic Information	215
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	216
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.	

City of San Mateo
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR				
	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019
Governmental Activities					
Net investment in capital assets	\$ 338,597,493	\$ 348,551,145	\$ 361,295,211	\$ 373,263,037	\$ 374,808,638
Restricted	35,940,430	42,628,946	43,004,559	56,180,410	56,993,128
Unrestricted (deficit)	(56,568,094)	(25,485,083)	(16,647,454)	(27,694,719)	(16,582,840)
Total Governmental Activities Net Position	<u>\$ 317,969,829</u>	<u>\$ 365,695,008</u>	<u>\$ 387,652,316</u>	<u>\$ 401,748,728</u>	<u>\$ 415,218,926</u>
Business-Type Activities					
Net investment in capital assets	\$ 78,438,576	\$ 83,893,024	\$ 112,410,305	\$ 136,901,535	\$ 137,297,898
Restricted	11,056,422	9,457,948	17,976,147	3,019,163	1,127,518
Unrestricted (deficit)	10,218,009	20,791,916	(7,096,918)	(2,674,687)	24,223,141
Total Business-Type Activities Net Position	<u>\$ 99,713,007</u>	<u>\$ 114,142,888</u>	<u>\$ 123,289,534</u>	<u>\$ 137,246,011</u>	<u>\$ 162,648,557</u>
Primary Government					
Net investment in capital assets	\$ 417,036,069	\$ 432,444,169	\$ 473,705,516	\$ 510,164,572	\$ 512,106,536
Restricted	46,996,852	52,086,894	60,980,706	59,199,573	58,120,646
Unrestricted (deficit)	(46,350,085)	(4,693,167)	(23,744,372)	(30,369,406)	7,640,301
Total Primary Government Net Position	<u>\$ 417,682,836</u>	<u>\$ 479,837,896</u>	<u>\$ 510,941,850</u>	<u>\$ 538,994,739</u>	<u>\$ 577,867,483</u>

Notes:

(1) Significant variance in restricted and unrestricted net position was due to implementation of GASB 65, 68 and 71 in FY2015

(2) 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				
	2020	2021	2022	2023 ⁽¹⁾	2024
Governmental Activities					
Net investment in capital assets	\$ 380,800,232	\$ 392,070,528	\$ 397,780,546	\$ 399,733,773	\$ 412,852,193
Restricted	58,615,106	38,577,326	45,323,758	108,343,099	111,215,112
Unrestricted (deficit)	(22,039,326)	(11,392,141)	6,233,558	(56,670,151)	(53,862,081)
Total Governmental Activities Net Position	<u>\$ 417,376,012</u>	<u>\$ 419,255,713</u>	<u>\$ 449,337,862</u>	<u>\$ 451,406,721</u>	<u>\$ 470,205,224</u>
Business-Type Activities					
Net investment in capital assets	\$ 154,095,718	\$ 168,133,572	\$ 135,235,423	\$ 79,620,512	\$ 154,003,672
Restricted	1,143,604	1,143,852	33,375,069	92,240,461	51,978,422
Unrestricted (deficit)	39,117,768	58,834,359	109,975,918	164,051,166	184,575,261
Total Business-Type Activities Net Position	<u>\$ 194,357,090</u>	<u>\$ 228,111,783</u>	<u>\$ 278,586,410</u>	<u>\$ 335,912,139</u>	<u>\$ 390,557,355</u>
Primary Government					
Net investment in capital assets	\$ 534,895,950	\$ 560,204,100	\$ 533,015,969	\$ 479,354,285	\$ 566,855,865
Restricted	59,758,710	39,721,178	78,698,827	200,583,560	163,193,534
Unrestricted (deficit)	17,078,442	47,442,218	116,209,476	107,381,015	130,713,180
Total Primary Government Net Position	<u>\$ 611,733,102</u>	<u>\$ 647,367,496</u>	<u>\$ 727,924,272</u>	<u>\$ 787,318,860</u>	<u>\$ 860,762,579</u>

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 75 in FY2018

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				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 13,531,819	\$ 13,408,222	\$ 15,288,834	\$ 16,253,149	\$ 22,520,951
Community development	11,520,058	8,615,056	9,218,215	8,968,176	10,689,333
Public safety	54,499,943	56,518,491	66,098,015	78,040,802	72,388,649
Public works	17,572,481	19,194,348	19,454,397	22,900,784	25,294,822
Parks and recreation	14,604,719	14,715,076	17,688,663	17,723,370	18,589,445
Golf	-	-	-	-	2,413,326
Library	7,456,042	7,481,649	8,640,943	8,409,588	9,088,444
Interest and fiscal charges	1,687,938	1,563,149	1,603,120	1,282,632	1,545,181
Total governmental activities expenses	120,873,000	121,495,991	137,992,187	153,578,501	162,530,151
Business-type activities:					
Sewer	25,394,787	29,446,279	27,650,895	28,541,139	30,979,524
Golf	2,599,156	2,925,638	2,699,895	3,119,828	-
Total business-type activities expenses	27,993,943	32,371,917	30,350,790	31,660,967	30,979,524
Total primary government expenses	\$ 148,866,943	\$ 153,867,908	\$ 168,342,977	\$ 185,239,468	\$ 193,509,675
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 7,746,426	\$ 8,864,516	\$ 4,460,496	\$ 4,761,038	\$ 4,850,552
Community development	11,841,340	13,040,363	15,504,626	18,647,276	11,962,685
Public safety	4,748,609	4,963,005	5,460,041	5,859,462	4,873,368
Public works	3,380,143	3,204,712	7,078,959	8,816,371	7,908,636
Parks and recreation	3,917,392	4,026,981	5,733,587	4,416,286	4,427,073
Golf	-	-	-	-	2,169,365
Library	366,424	376,099	384,442	425,676	418,247
Operating Grants and Contributions	4,659,218	4,920,003	4,855,791	6,527,822	7,091,483
Capital Grants and Contributions	5,932,115	17,519,113	7,404,767	12,254,621	11,235,278
Total governmental activities program revenues	42,591,667	56,914,792	50,882,709	61,708,552	54,936,687
Business-type activities:					
Charges for Services:					
Sewer	32,202,568	31,349,390	31,790,037	41,737,548	51,981,922
Golf	2,179,638	2,259,273	2,155,822	2,361,164	-
Capital Grants and Contributions	1,418,940	9,648,484	4,559,627	2,628,892	1,231,712
Total business-type activities program revenues	35,801,146	43,257,147	38,505,486	46,727,604	53,213,634
Total primary government program revenues	\$ 78,392,813	\$ 100,171,939	\$ 89,388,195	\$ 108,436,156	\$ 108,150,321
Net (Expense)/Revenue					
Governmental activities	\$ (78,281,333)	\$ (64,581,199)	\$ (87,109,478)	\$ (91,869,949)	\$ (107,593,464)
Business-type activities	7,807,203	10,885,230	8,154,696	15,066,637	22,234,110
Total primary government net expense	\$ (70,474,130)	\$ (53,695,969)	\$ (78,954,782)	\$ (76,803,312)	\$ (85,359,354)

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				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 24,844,817	\$ 22,566,708	\$ 23,459,894	\$ 28,633,018	\$ 27,773,248
Community development	11,079,458	11,362,295	20,402,608	16,765,437	14,269,937
Public safety	84,968,332	88,274,410	66,993,033	94,267,213	92,903,796
Public works	26,353,672	22,560,152	21,712,677	28,996,164	31,088,776
Parks and recreation	18,827,857	17,581,661	16,497,215	20,923,090	24,598,631
Golf	2,363,389	2,406,028	2,368,719	2,505,214	-
Library	9,546,338	8,797,338	8,678,548	9,421,539	10,598,001
Interest and fiscal charges	1,967,739	2,674,930	2,447,923	2,494,361	2,407,407
Total governmental activities expenses	179,951,602	176,223,522	162,560,617	204,006,036	203,639,796
Business-type activities:					
Sewer	39,159,040	40,969,271	41,868,215	41,833,626	45,059,021
Golf	-	-	-	-	-
Total business-type activities expenses	39,159,040	40,969,271	41,868,215	41,833,626	45,059,021
Total primary government expenses	\$ 219,110,642	\$ 217,192,793	\$ 204,428,832	\$ 245,839,662	\$ 248,698,817
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 4,196,601	\$ 6,305,379	\$ 7,754,336	\$ 6,404,657	\$ 6,755,941
Community development	11,367,968	11,277,683	10,420,500	13,320,594	12,636,122
Public safety	6,334,734	2,402,026	2,179,473	3,166,616	4,132,856
Public works	10,140,356	7,117,981	8,860,490	7,540,418	8,506,152
Parks and recreation	3,158,517	1,010,881	2,921,700	3,512,400	7,662,922
Golf	2,206,781	3,129,139	3,529,967	3,105,744	-
Library	395,001	270,043	314,628	318,769	381,127
Operating Grants and Contributions	7,613,730	19,005,126	16,397,540	9,841,723	11,003,457
Capital Grants and Contributions	10,814,961	9,354,286	9,085,257	5,390,848	13,247,974
Total governmental activities program revenues	56,228,649	59,872,544	61,463,891	52,601,769	64,326,551
Business-type activities:					
Charges for Services:					
Sewer	58,741,767	67,962,290	71,491,119	77,987,677	81,333,394
Golf	-	-	-	-	-
Capital Grants and Contributions	7,290,894	5,931,349	21,355,870	15,487,045	8,179,541
Total business-type activities program revenues	66,032,661	73,893,639	92,846,989	93,474,722	89,512,935
Total primary government program revenues	\$ 122,261,310	\$ 133,766,183	\$ 154,310,880	\$ 146,076,491	\$ 153,839,486
Net (Expense)/Revenue					
Governmental activities	\$ (123,722,953)	\$ (116,350,978)	\$ (101,096,726)	\$ (151,404,267)	\$ (139,313,245)
Business-type activities	26,873,621	32,924,368	50,978,774	51,641,096	44,453,914
Total primary government net expense	\$ (96,849,332)	\$ (83,426,610)	\$ (50,117,952)	\$ (99,763,171)	\$ (94,859,331)

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				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 45,514,243	\$ 49,821,722	\$ 52,989,559	\$ 58,137,331	\$ 63,899,034
Sales taxes	26,406,209	27,458,762	26,001,431	26,313,958	28,606,235
Property transfer tax	10,636,846	9,894,291	12,179,016	11,778,074	13,918,129
Other taxes	13,764,540	14,503,661	14,536,828	14,777,396	14,947,968
Franchise taxes	3,049,847	3,143,082	3,142,369	3,208,096	3,134,906
Motor vehicle taxes	61,024	416,222	55,990	64,442	-
Investment income (loss)	1,167,612	2,469,425	978,899	1,521,257	7,180,752
Other - GASB 68 Adjustment	-	344,425	-	-	-
Other revenues	-	-	32,694	66,005	42,081
Transfers	(2,501,852)	(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:	98,098,469	112,306,378	109,066,786	115,341,559	121,063,662
Business-type activities:					
Investment income	250,398	524,455	141,950	189,713	1,379,769
Gain (Loss) on sale of capital assets	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Transfers	2,501,852	3,020,196	850,000	525,000	1,788,676
Total business-type activities	2,752,250	3,544,651	991,950	714,713	3,168,445
Total primary government	\$ 100,850,719	\$ 115,851,029	\$ 110,058,736	\$ 116,056,272	\$ 124,232,107
Change in Net Position					
Governmental activities	\$ 19,817,136	\$ 47,725,179	\$ 21,957,308	\$ 23,471,610	\$ 13,470,198
Business-type activities	10,559,453	14,429,881	9,146,646	15,781,350	25,402,555
Total primary government	\$ 30,376,589	\$ 62,155,060	\$ 31,103,954	\$ 39,252,960	\$ 38,872,753

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				
	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 67,106,048	\$ 66,631,563	\$ 74,796,572	\$ 83,298,878	\$ 81,331,244
Sales taxes	26,958,595	27,948,874	33,408,980	34,283,362	32,380,449
Property transfer tax	9,137,370	11,783,952	14,344,715	7,418,099	8,634,762
Other taxes	11,173,135	7,439,757	11,445,378	16,356,131	14,976,125
Franchise taxes	3,170,550	3,033,639	3,117,140	3,627,304	3,403,374
Motor vehicle taxes	-	-	-	-	-
Investment income (loss)	7,259,659	488,757	(6,317,294)	4,554,367	15,375,641
Other - GASB 68 Adjustment	-	-	-	-	-
Other revenues	64,312	904,137	383,384	2,140,985	2,010,153
Transfers	-	-	-	1,794,000	-
Special Item: Transfer of properties from Successor Agency	-	-	-	-	-
Special Item: Transfer of fire activities	-	-	-	-	-
Total Governmental activities:	124,869,669	118,230,679	131,178,875	153,473,126	158,111,748
Business-type activities:					
Investment income	5,845,282	851,242	(602,477)	7,176,108	9,342,754
Gain (Loss) on sale of capital assets	-	(22,292)	98,330	(101,329)	-
Miscellaneous revenues	-	1,375	-	403,854	848,548
Transfers	-	-	-	(1,794,000)	-
Total business-type activities	5,845,282	830,325	(504,147)	5,684,633	10,191,302
Total primary government	\$ 130,714,951	\$ 119,061,004	\$ 130,674,728	\$ 159,157,759	\$ 168,303,050
Change in Net Position					
Governmental activities	\$ 1,146,716	\$ 118,230,679	\$ 30,082,149	\$ 2,068,859	\$ 18,798,503
Business-type activities	32,718,903	830,325	50,474,627	57,325,729	54,645,216
Total primary government	\$ 33,865,619	\$ 119,061,004	\$ 80,556,776	\$ 59,394,588	\$ 73,443,719

Source: City of San Mateo Annual Comprehensive Financial Reports

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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
2015	\$ 45,514,243	\$ 26,406,209	\$ 10,636,846	\$ 3,049,847	\$ 13,825,564	\$ 99,432,709
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

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				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable fund balance	\$ 133,030	\$ 93,968	\$ 146,668	\$ 1,365,781	\$ 1,138,335
Restricted fund balance	-	-	-	-	-
Committed fund balance	-	-	-	1,310,590	2,382,262
Assigned fund balance	696,064	653,902	1,151,152	983,063	708,521
Unassigned fund balance	46,814,928	57,850,140	65,807,692	71,844,796	83,958,171
Total General Fund	<u>\$ 47,644,022</u>	<u>\$ 58,598,010</u>	<u>\$ 67,105,512</u>	<u>\$ 75,504,230</u>	<u>\$ 88,187,289</u>
All Other Governmental Funds					
Nonspendable fund balance	\$ -	\$ -	\$ -	\$ 4,206	\$ -
Restricted fund balance	36,477,074	42,628,946	42,468,316	54,997,971	55,140,874
Committed fund balance	51,111,814	63,490,793	66,261,696	66,085,830	70,357,550
Assigned fund balance	-	-	-	-	-
Unassigned fund balance (deficit)	-	-	-	-	-
Total all other Governmental Funds	<u>\$ 87,588,888</u>	<u>\$ 106,119,739</u>	<u>\$ 108,730,012</u>	<u>\$ 121,088,007</u>	<u>\$ 125,498,424</u>

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				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable fund balance	\$ 801,607	\$ 329,193	\$ 357,245	\$ 284,396	\$ 304,759
Restricted fund balance	-	-	-	599,425	550,000
Committed fund balance	1,370,873	1,370,873	16,294,331	-	-
Assigned fund balance	670,609	-	1,097,978	9,304,494	11,443,226
Unassigned fund balance	82,719,189	90,258,189	93,702,456	107,690,904	105,659,356
Total General Fund	<u>\$ 85,562,278</u>	<u>\$ 91,958,255</u>	<u>\$ 111,452,010</u>	<u>\$ 117,879,219</u>	<u>\$ 117,957,341</u>
All Other Governmental Funds					
Nonspendable fund balance	\$ -	\$ -	\$ 9,000	\$ -	\$ -
Restricted fund balance	107,881,837	71,611,963	77,144,719	128,358,271	131,583,602
Committed fund balance	75,420,851	93,093,835	65,881,489	-	-
Assigned fund balance	-	-	-	17,200,801	26,595,669
Unassigned fund balance (deficit)	-	(586,982)	(1,401,910)	-	-
Total all other Governmental Funds	<u>\$ 183,302,688</u>	<u>\$ 164,118,816</u>	<u>\$ 141,633,298</u>	<u>\$ 145,559,072</u>	<u>\$ 158,179,271</u>

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				
	2015	2016	2017	2018	2019
Revenues:					
Property taxes	\$ 45,514,243	\$ 49,821,722	\$ 52,989,555	\$ 58,137,331	\$ 63,899,035
Sales taxes	26,406,209	27,458,762	26,001,428	26,313,958	28,606,235
Other taxes	27,492,257	27,947,256	29,904,204	29,818,008	32,051,159
Licenses, building and other permits	10,993,854	12,481,519	13,986,765	16,829,698	9,820,297
Fines, forfeitures and Penalties	1,797,820	1,608,517	2,347,508	1,983,069	2,361,048
Intergovernmental revenues	9,000,823	10,139,448	10,514,086	10,081,168	13,900,475
Charges for services	9,822,219	11,642,713	10,994,505	11,865,030	13,006,381
Investment income (loss)	939,463	2,016,000	436,583	1,274,997	6,257,565
Indirect and in-lieu fees	-	-	-	-	1,317,331
Assessment and garbage collection surcharge	3,128,070	8,000,287	2,405,534	2,591,689	1,887,074
Parking meter and lease revenue	2,722,471	2,881,193	3,113,739	5,334,641	4,320,920
Impact fees	3,260,222	4,274,248	3,747,065	4,021,226	1,754,337
Capital contributions	-	-	-	375,000	750,000
Other revenues	2,402,206	3,438,927	3,751,388	3,851,650	5,140,943
Total revenues	143,479,857	161,710,592	160,192,360	172,477,465	185,072,800
Expenditures:					
General government	12,563,127	13,389,976	11,823,438	12,631,562	13,248,604
Community development	7,304,546	7,283,445	8,382,090	8,968,166	9,870,728
Public safety	53,016,349	58,605,898	63,623,621	68,708,919	63,971,508
Public works	6,103,576	7,128,676	8,585,107	10,030,818	10,525,838
Parks and recreation	12,759,601	13,190,936	14,666,422	14,967,718	15,563,445
Golf	-	-	-	-	2,152,691
Library	5,744,931	6,099,700	6,499,489	6,721,084	7,421,137
Non-departmental	1,280,000	1,250,000	2,891,155	3,001,379	5,726,983
Capital outlay	18,045,935	20,745,215	28,829,906	18,367,591	22,865,146
Debt service:					
Principal	1,802,440	1,939,637	2,019,637	7,842,077	2,128,016
Interest and fiscal charges	1,761,775	1,656,297	1,702,963	1,705,078	1,624,137
Cost of issuance	-	-	-	-	-
Total expenditures	120,382,280	131,289,780	149,023,828	152,944,392	155,098,233
Excess of revenues over (under) expenditures	23,097,577	30,420,812	11,168,532	19,533,073	29,974,567
Other Financing Sources (Uses):					
Proceeds from debt issuance	-	-	-	-	-
Premium	-	-	-	-	-
Debt refunding - payment to escrow	-	-	-	-	-
Proceeds from loans	265,820	14,027	746,896	2,157,843	-
Proceeds from sale of capital assets	-	-	-	-	-
Inception of subscription liability	-	-	-	-	-
Transfers in	11,402,970	13,083,222	14,117,848	20,890,354	12,938,471
Transfers out	(13,729,596)	(14,033,222)	(14,915,501)	(21,824,557)	(12,995,487)
Total other financing sources (uses)	(2,060,806)	(935,973)	(50,757)	1,223,640	(57,016)
Special Item: Transfer of fire activities	-	-	-	-	(12,824,075)
Net change in fund balances	\$ 21,036,771	\$ 29,484,839	\$ 11,117,775	\$ 20,756,713	\$ 17,093,476

Debt Service as a percentage of noncapital expenditures

(1)	3.42%	3.11%	3.01%	6.89%	2.82%
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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				
	2020	2021	2022	2023	2024
Revenues:					
Property taxes	\$ 67,106,048	\$ 66,631,563	\$ 74,796,572	\$ 83,298,878	\$ 81,331,244
Sales taxes	26,958,596	27,948,874	33,408,980	34,283,362	32,380,449
Other taxes	23,481,055	22,257,348	28,907,233	27,140,943	26,771,455
Licenses, building and other permits	8,511,610	8,123,453	6,528,252	8,169,947	7,345,890
Fines, forfeitures and Penalties	1,486,473	2,247,808	2,201,172	2,909,055	3,242,892
Intergovernmental revenues	13,455,252	19,888,509	23,286,197	14,501,361	13,522,487
Charges for services	12,140,217	11,638,776	16,758,036	19,016,452	21,178,777
Investment income (loss)	6,451,349	411,387	(5,494,064)	3,403,037	13,744,895
Indirect and in-lieu fees	710,540	-	-	-	-
Assessment and garbage collection surcharge	1,952,167	6,268,685	2,248,303	2,702,720	2,897,760
Parking meter and lease revenue	5,960,255	2,023,435	5,807,293	3,424,971	3,199,677
Impact fees	4,471,088	1,741,192	613,890	147,064	-
Capital contributions	750,000	750,000	750,000	750,461	9,764,955
Other revenues	4,440,498	6,513,514	5,030,830	4,622,308	5,340,645
Total revenues	177,875,148	176,444,544	194,842,694	204,370,559	220,721,126
Expenditures:					
General government	14,127,919	14,777,676	14,824,775	14,095,593	15,524,365
Community development	9,903,606	10,450,200	20,931,630	14,508,302	13,862,340
Public safety	69,607,595	74,041,289	76,979,872	81,196,170	87,526,868
Public works	11,194,667	10,555,345	11,410,240	13,130,985	15,607,016
Parks and recreation	15,177,801	14,341,093	16,260,067	17,175,614	21,136,909
Golf	2,210,391	2,406,028	2,368,719	2,505,214	-
Library	7,260,024	7,063,780	7,645,003	7,836,173	8,619,895
Non-departmental	6,535,562	7,357,090	8,244,606	9,662,288	9,968,106
Capital outlay	30,549,652	42,765,863	31,945,962	29,334,514	27,615,436
Debt service:					
Principal	2,742,918	3,411,945	4,691,724	5,668,626	5,956,172
Interest and fiscal charges	1,554,488	3,412,560	2,950,846	2,869,645	2,806,831
Cost of issuance	380,166	-	-	-	-
Total expenditures	171,244,789	190,582,869	198,253,444	197,983,124	208,623,938
Excess of revenues over (under) expenditures	6,630,359	(14,138,325)	(3,410,750)	6,387,435	12,097,188
Other Financing Sources (Uses):					
Proceeds from debt issuance	47,595,599	1,525,675	-	-	-
Premium	8,068,164	-	-	-	-
Debt refunding - payment to escrow	(4,006,995)	-	-	-	-
Proceeds from loans	-	-	-	-	-
Proceeds from sale of capital assets	713,154	-	-	15,066	21,354
Inception of subscription liability	-	-	-	2,862,579	1,076,231
Transfers in	21,124,557	21,438,281	14,919,215	23,783,665	31,096,445
Transfers out	(24,945,585)	(21,613,526)	(14,500,228)	(22,695,762)	(31,592,897)
Total other financing sources (uses)	48,548,894	1,350,430	418,987	3,965,548	601,133
Special Item: Transfer of fire activities	-	-	-	-	-
Net change in fund balances	\$ 55,179,253	\$ (12,787,895)	\$ (2,991,763)	\$ 10,352,983	\$ 12,698,321

Debt Service as a percentage of noncapital expenditures

(1)	2.98%	4.58%	4.90%	5.14%	4.85%
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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	Total Direct Tax Rate (2)	Estimated Actual Value (3)	Factor of Taxable Assessed Value (3)
2015	\$ 15,233,601	\$ 3,228,752	\$ 199,821	\$ 291,470	\$ 724,375	\$ 309,015	\$ 19,369,004	0.18%	\$ 32,278,244	1.6665
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

Notes:

- 1) Other property includes state unitary value of \$3,294,887.
- 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: MuniServices, LLC / Avenu Insights & Analytics

City of San Mateo
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate expressed in percentage)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	0.0105	0.0102	0.0090	0.0084	0.0077	0.0071	0.0067	0.0064	0.0060	0.0057
S M FOSTER CITY SERIES Q	-	-	-	-	-	-	0.0022	0.0035	0.0015	0.0159
SM FC EL BD REFUND SER	-	-	-	-	-	-	-	-	-	-
SM FOSTER CITY 2005 REF	0.0185	0.0197	0.0156	0.0162	0.0170	0.0042	-	-	-	-
SM FC 2012 GO REF Ser 0	0.0071	0.0069	0.0060	0.0056	0.0052	0.0050	-	-	-	-
SM FC GO BOND 08 ELEC	0.0132	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
SM FC GO BOND ELECT 202	-	-	-	-	-	-	-	-	-	0.0285
SM FC GO BD 2020 REFUND	-	-	-	-	-	-	0.0203	0.0390	0.0340	0.0114
SAN MATEO HIGH 2017 GO	-	-	-	-	0.0020	0.0016	0.0015	0.0014	0.0020	0.0019
SAN MATEO HIGH BD SER 2	0.0072	0.0064	0.0066	0.0065	0.0063	0.0063	0.0021	-	0.0049	0.0036
SAN MATEO UN HIGH BND S	0.0108	0.0063	0.0063	0.0063	0.0047	0.0036	0.0061	0.0061	0.0022	0.0022
SAN MATEO HIGH RFND. SER	-	-	-	-	-	-	0.0044	0.0247	0.0038	0.0033
SAN MATEO HIGH 2012 GO	0.0078	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
SAN MATEO HIGH 2019 GO	-	-	-	-	-	-	0.0025	0.0023	0.0020	0.0019
SAN MATEO HIGH 2019 REF	-	-	-	-	-	-	0.0020	0.0061	0.0015	0.0014
SAN MATEO HIGH 2022 GO	-	-	-	-	-	-	-	-	0.0021	0.0017
SM JR COLLEGE BD 2002	-	0.0012	0.0019	0.0019	0.0018	0.0019	0.0019	0.0020	0.0016	0.0017
SM JR COLL BOND SER 200	0.0002	-	-	-	-	-	0.0018	0.0019	0.0017	0.0016
SM JR COLL BOND 2001 SE	0.0009	0.0008	0.0006	0.0007	0.0007	0.0007	0.0007	0.0007	0.0006	0.0007
SM JR COLL BOND 2006 SE	0.0042	0.0039	0.0037	0.0036	0.0035	0.0033	0.0032	0.0031	0.0026	0.0021
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
SAN MATEO COMM COLL 200	0.0069	0.0036	0.0085	0.0080	0.0079	0.0042	0.0037	0.0040	0.0039	0.0040
SAN MATEO HIGH ELEC	0.0217	0.0251	0.0180	0.0175	0.0142	0.0143	0.0183	-	0.0224	0.0195
SM JR COLL BOND REF 201	0.0068	0.0155	-	-	-	-	0.0025	0.0019	-	-
SAN MATEO COMM COLL	-	-	-	-	-	0.0035	-	0.0043	0.0035	0.0033
SM JR COLL ELECT 2014	-	-	-	-	-	0.0088	0.0036	0.0039	0.0040	0.0035
SM JR COLL 2018 REF BOND	-	-	-	-	-	0.0007	0.0005	0.0005	0.0005	0.0004
SM JR COLL 2019 REF BOND	-	-	-	-	-	0.0006	0.0005	0.0004	0.0004	0.0003
TOTAL	0.1158	0.1220	0.1298	0.1294	0.1189	0.1159	0.1191	0.1444	0.1370	0.1288
TOTAL TAX RATE	1.1158	1.1220	1.1298	1.1294	1.1189	1.1159	1.1191	1.1444	1.1370	1.1288

Sources: (1) City of San Mateo Annual Comprehensive Financial Reports
(2) County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics

City of San Mateo
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Bay Meadows Station Investors LLC	1,003,030,576	1	2.76%			
Essex Portfolio LP	617,933,473	2	1.70%			
HSC Property Owner LLC	592,926,000	3	1.63%			
Franklin Templeton Corp Svcs Inc	471,210,306	4	1.30%	263,049,333	1	1.36%
2000 Sierra Point Parkway LLC	343,104,674	5	0.94%			
1825 SG Corporation	288,422,365	6	0.79%			
HG Clearview Owner LLC	237,352,594	7	0.65%			
ASN Bay Meadows I LLC & Bay Meadows II LLC	231,897,884	8	0.64%	196,730,033	2	1.02%
Rakuten CHW LLC	200,339,106	9	0.55%			
Hospitality Investment LLC Lessee	188,690,978	10	0.52%			
Park Place Holdco LLC				110,400,000	3	0.57%
Sobrato Interests 3				154,644,275	4	0.80%
BRE Properties Inc				55,524,909	5	0.29%
Bohannon Dev Co				177,471,548	6	0.92%
Peninsula Office Park				131,316,433	7	0.68%
Essex Hillsdale Garden Apts				107,889,425	8	0.56%
DW Bridgepointe LLC				98,299,639	9	0.51%
SPK San Mateo Baycenter LLC				96,178,493	10	0.50%
Total Top 10 Taxpayers	4,174,907,956		11.48%	1,391,504,088		7.18%
Total Taxable Value	\$ 36,351,657,524		100.00%	\$ 19,369,003,662		100.00%

Source: MuniServices, LLC / Avenu Insights & Analytics

City of San Mateo
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levied for Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections To Date	
		Collected Amount ⁽¹⁾	Percentage of Levy ⁽²⁾		Collected Amount	Percentage of Levy ⁽⁴⁾
2015	\$ 45,515,000	\$ 45,514,243	100.00%	n/a	\$ 45,514,243	100.00%
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%

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					
	General Obligation Bonds	Revenue Bond	Loans Payable	Lease Liability	Subscription Liability	Total Governmental
2015	\$ 27,580	\$ 27,478	\$ 253	\$ -	\$ -	\$ 55,311
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

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

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	Total Business-Type				Redevelopment Tax Allocation Bond	County CDBG Loan
2015	\$ 61,434	4,916	\$ 7,465	\$ -	\$ 73,815.00	\$ 129,126	2.54%	\$ 1,277	\$ 75,549.00	\$ -
2016	59,867	11,000	7,095	-	77,962	131,197	2.45%	1,288	72,202	-
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	-

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
2015	\$ 27,580	\$ 3,034	\$ 24,546	0.13%	\$ 242
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	5,929	11,481	0.04%	111
2023	15,733	6,661	9,072	0.02%	88
2024	13,986	7,575	6,411	0.02%	62

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, 2024

2023-24 Assessed Valuation:	\$ 36,458,670,724		
	Total Debt 6/30/2024	% Applicable ⁽¹⁾	City's Share of Debt 6/30/2024
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
San Mateo Community College District	\$ 682,237,216	11.85%	\$ 80,817,821
San Mateo Union High School District	703,110,767	34.43%	\$ 242,045,882
Sequoia Union High School District	488,322,000	0.54%	\$ 2,641,822
Belmont-Redwood Shores School District	69,920,935	3.72%	\$ 2,597,563
Belmont School Facilities Improvement District	39,231,717	6.55%	\$ 2,569,285
Hillsborough School District	98,867,884	0.00%	\$ 989
San Mateo-Foster City School District	497,628,474	68.52%	\$ 340,975,030
City of San Mateo Community Facilities District No.2008-1	71,350,000	100.00%	\$ 71,350,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 2,650,668,993		\$ 742,998,392
<u>DIRECT TAX AND ASSESSMENT DEBT:</u>			
City of San Mateo	13,030,000	100.00%	\$ 13,030,000
TOTAL DIRECT TAX AND ASSESSMENT DEBT	\$ 13,030,000		\$ 13,030,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 2,663,698,993		\$ 756,028,392
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
San Mateo County General Fund Obligations	\$ 565,146,645	11.85%	\$ 66,947,272
San Mateo County Board of Education Certificates of Participation	5,735,000	11.85%	\$ 679,368
Belmont-Redwood Shores School District General Fund Obligations	4,498,074	3.72%	\$ 167,103
Highlands Recreation District General Fund Obligations	1,879,000	0.02%	\$ 282
San Mateo County Mosquito & Vector Control District General Fund Obligations	3,404,654	11.85%	\$ 403,315
TOTAL OVERLAPPING GENERAL FUND DEBT	\$ 580,663,373		\$ 68,197,340
<u>DIRECT GENERAL FUND DEBT:</u>			
City of San Mateo General Fund Obligations	57,735,000	100.00%	57,735,000
TOTAL DIRECT GENERAL FUND DEBT	\$ 57,735,000		\$ 57,735,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 638,398,373		\$ 125,932,340
Less: City of San Mateo enterprise supported obligations			-
Highlands Recreation District supported obligations			220
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 125,932,120
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	\$ 35,460,000	100.00%	\$ 35,460,000
TOTAL GROSS DIRECT DEBT			70,765,000
TOTAL NET DIRECT DEBT			70,765,000
TOTAL OVERLAPPING DEBT			846,655,733
GROSS COMBINED TOTAL DEBT			917,420,732 ⁽²⁾
NET COMBINED TOTAL DEBT			<u>\$ 917,420,512</u>

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$13,030,000)	0.04%
Total Direct and Overlapping Tax and Assessment Debt	2.07%
Total Gross Direct Debt (\$70,765,000)	0.19%
Total Net Direct Debt (\$70,765,000)	0.19%
Gross Combined Total Debt	2.52%
Net Combined Total Debt	2.52%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,896,993,541):

Total Overlapping Tax Increment Debt	1.22%
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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) Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue

Source: MuniServices, LLC / Auenu Insights & Analysis and City of San Mateo Annual Comprehensive Financial Reports

City of San Mateo
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Debt Limit	\$ 2,951,703	\$ 3,204,902	\$ 3,483,855	\$ 3,769,199	\$ 4,091,591
Total net debt applicable to limit	27,580	26,268	24,920	23,528	22,086
Legal debt margin	\$ 2,924,123	\$ 3,178,634	\$ 3,458,935	\$ 3,745,671	\$ 4,069,505
Total net debt applicable to the limit as a percentage of debt limit	0.93%	0.82%	0.72%	0.62%	0.54%

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				
	2020	2021	2022	2023	2024
Debt Limit	\$ 4,402,378	\$ 4,731,707	\$ 4,894,892	\$ 5,290,997	\$ 5,579,292
Total net debt applicable to limit	20,584	19,032	17,410	15,733	13,986
Legal debt margin	\$ 4,381,794	\$ 4,712,675	\$ 4,877,482	\$ 5,275,264	\$ 5,565,306
Total net debt applicable to the limit as a percentage of debt limit	0.47%	0.40%	0.36%	0.30%	0.25%

Legal Debt Margin Calculation for Fiscal Year 2024

	<u>2024</u>
Assessed value	\$ 36,351,658
Add back: exempt real property	843,621
	<u>\$ 37,195,279</u>
Debt limit (15% of assessed value)	\$ 5,579,292
<u>Debt Application to limit:</u>	
General obligation bonds	13,986
Total net debt applicable to limit	<u>13,986</u>
Legal debt margin	<u>\$ 5,565,306</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	(1)	Less Operating Expenses	(2)	Net Available Revenue	Debt Service		Coverage			
						Principal	Interest				
2015	\$	32,453	\$	19,511	\$	12,942	\$	17,800 (3)	\$	2,041	3.65 (3)
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 (4)		20,413	2.17 (4)
2023		85,586		24,508		61,078		1,740		12,694	4.23
2024		82,501		33,041		49,460		273,430 (5)		12,018	3.56 (5)

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 2003 Sewer Revenue bonds totaling \$16.3 million, which is excluded from the coverage calculation.
- (4) Increase due to the refunding of the 2011A Sewer Revenue bonds totaling \$19.7 million, which is excluded from the coverage calculation.
- (5) 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 (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age	*Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate(%) (3)	County Population (1)	City Population (% of County) (1)
2015	\$ 101,429	\$ 4,696,568,416	\$ 46,304	39.2	20,179	3.20%	3.10%	753,123	13.47%
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%

Notes:

(1) Population Projections are provided by the California Department of Finance.

(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: MuniServices, LLC / avenu Insights & Analytics

City of San Mateo
Principal Employers for City of San Mateo
Current Year and Nine Years Ago

Business Name	2024		2015	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
County of San Mateo Medical Center	1,414	2.30%	2,598	4.20%
San Mateo Foster City School District*	1,232	2.00%	1,177	1.90%
Sony Interactive Entertainment America, Playstation America**	1,230	2.00%		
San Mateo Union High School District	1,038	1.69%	1,000	1.62%
San Mateo College (San Mateo County CCD)	674	1.09%	1,170	1.89%
Franklin Templeton Investor	435	0.71%	1,103	1.78%
San Mateo County Behavioral Health	548	0.89%	475	0.77%
City of San Mateo	477	0.77%	975	1.58%
Mills Health Center - Sutter Health	415	0.67%	451	0.73%
Rakuten	253	0.41%		
Marketo Inc			471	0.76%
Fisher Investments			465	0.75%
Total Top 10 Employers	7,716	12.53%	9,885	15.97%
Total Labor Force (1)	61,600		61,900	

Sources:

- (1) City of San Mateo Annual Comprehensive Financial Reports
- (2) MuniServices, LLC / Avenu Insights & Analytics

Results based on direct correspondence with city's local businesses.

*Includes Capuchino and Burlingame HS which are outside the city limits of San Mateo.

** Sony Interactive Entertainment America, Playstation America has not responded.

Previous year's employee headcount applied.

(1) Total City Labor Force provided by EDD Labor Force Data.

City of San Mateo
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

<u>Function</u>	Full-Time Equivalent Employees as of June 30										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	57.81	64.75	66.41	65.58	66.09	62.65	62.65	61.95	59.95	58.92	64.39
Community development	39.72	47.35	47.35	48.94	48.94	49.72	51.72	51.40	51.40	53.18	56.18
Public safety	244.77	249.78	256.53	268.11	265.85	177.14	171.51	170.50	167.50	169.40	170.40 ⁽¹⁾
Public works											
(excluding Sewer)	44.51	44.52	45.99	57.96	57.11	63.51	61.56	63.71	64.08	67.69	73.28
Parks and recreation											
(excluding Golf)	98.79	101.54	101.54	102.07	103.21	107.73	107.73	106.40	107.68	100.47	107.08
Library	47.95	48.85	49.35	50.59	52.48	53.36	53.36	53.34	52.34	52.32	54.32
Sewer	75.24	76.69	77.99	80.49	80.49	84.58	86.53	86.20	84.83	86.52	85.41
Golf	11.14	11.14	11.14	11.77	11.77	12.55	12.55	12.75	12.75	12.75	7.50
Total:	619.93	644.62	656.30	685.51	685.94	611.24	607.61	606.25	600.53	601.25	618.56

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building:										
Building permits issued	3,587	4,359	4,169	4,385	3,678	3,345	3,937	4,061	4,115	3,856
Inspections	16,090	16,984	19,061	20,252	18,828	15,890	19,138	16,160	18,881	18,129
Finance:										
Business licenses issued	9,111	9,474	8,796	8,656	8,200	8,072	7,300	7,300	8,350	7,900
Fire:										
Number of calls	9,672	9,780	9,282	9,822	5,365					(2)
Inspections	7,213	7,504	7,681	4,513	1,284					(2)
Golf course:										
Golf rounds played	63,903	62,441	59,348	62,923	61,805	60,820	80,050	83,964	75,130	80,636 (3)
Library:										
Annual circulation	922,790	946,259	981,512	988,301	1,129,127	921,979	657,064	983,423	980,442	1,022,395 (3)
Library visits	566,244	555,008	603,760	610,834	764,469	422,226	25,168	255,644	336,040	379,404 (3)
Parks and recreation:										
Course registration	23,752	24,843	23,123	23,734	22,521	23,412	5,837	14,537	19,488	19,603
Facility rentals	1,386	1,368	1,346	1,369	1,329	827	-	191	473	397
Picnic rentals	1,275	1,086	1,274	1,340	1,423	1,165	361	1,650	1,608	1,676
Police:										
Arrests	3,077	3,311	2,947	2,670	2,496	2,112	2,242	2,231	2,106	2,255
Traffic violations	4,076	6,548	4,470	13,364	11,058	5,999	9,400	7,636	7,853	7,487 (1)
Parking violations	35,284	30,699	31,950	27,103	27,410	23,300	36,558	32,276	65,102	60,279
Public works:										
Street resurfacing (lane miles)	21	14	4	6	22	7	18	8.5	42.3	6.8
Potholes repaired	443	198	315	150	297	209	331	744	774	557
Sewer:										
Number of customers	27,661	27,816	27,965	27,961	28,237	28,366	28,359	28,359	28,359	28,494
Average daily sewage treatment (mgd)	12.0	10.0	12.2	10.4	11.5	9.9	9.7	10.6	13.0	13.0

Notes:

(1) Number of traffic violations starting fiscal year 2018 included number of photo enforcement violations. Such information was not available for prior fiscal 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 13, 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	318	320	320	320	320	320	320	320	320	350
Parks	34	35	35	35	35	35	35	35	35	36
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	35	36	37	37	37	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	84	86	87	87	87	90	90	90	90
Sewer:										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	236	236	260	260	260	260	260	260	260	260
Storm drains (miles)	140	140	148	148	148	148	148	148	148	148
Number of pump stations	37	35	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

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