

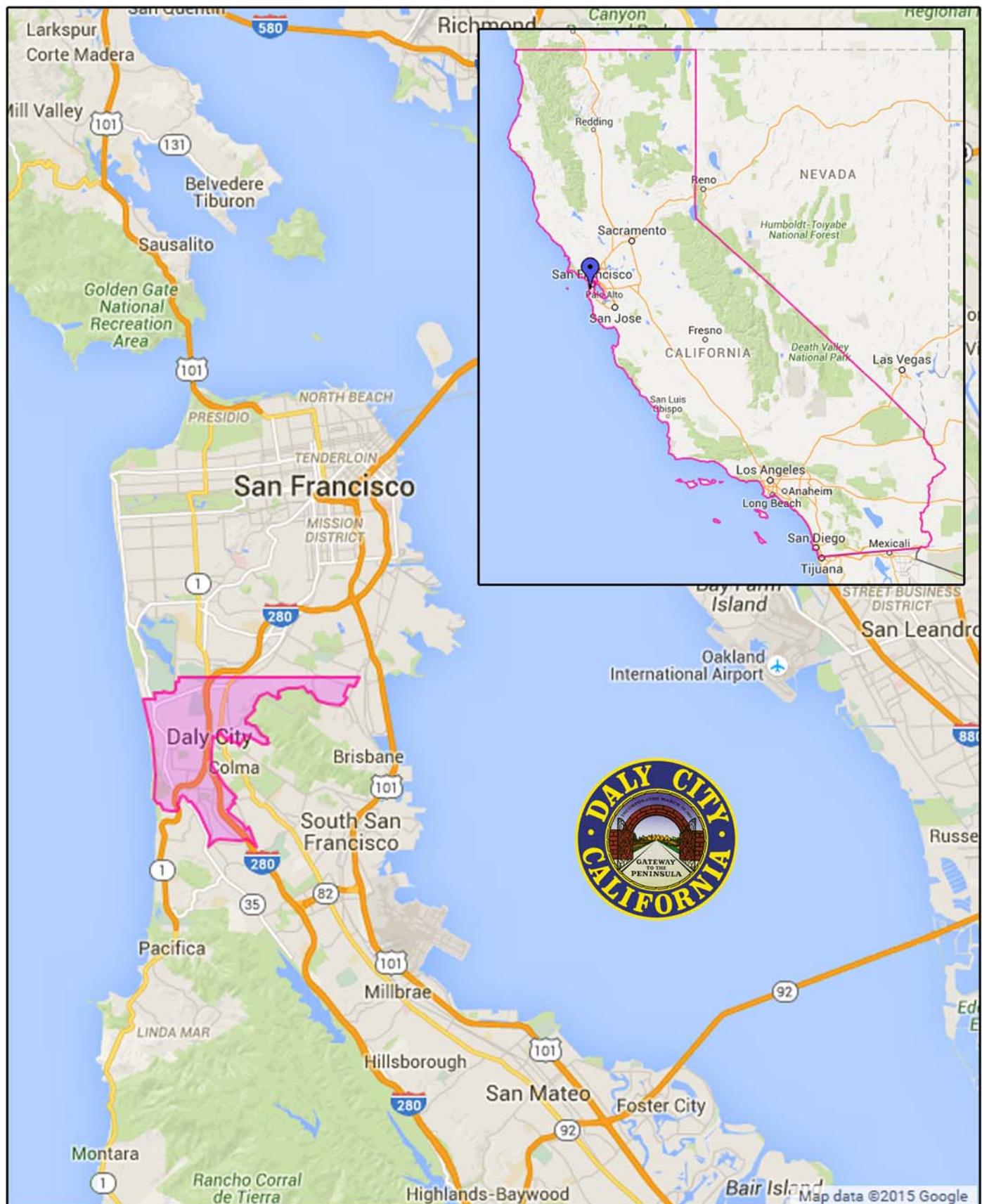
City of Daly City California



Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2021



CITY OF DALY CITY, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2021



Prepared by

**DEPARTMENT OF FINANCE
AND
ADMINISTRATIVE SERVICES**

**Tim Nevin
Director**



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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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CITY OF DALY CITY

333 – 90TH STREET
DALY CITY, CALIFORNIA 94015-1895

December 22, 2021

Honorable Mayor
Members of the City Council
Citizens of Daly City

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Daly City for the Fiscal Year (FY) ended June 30, 2021. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatements and presented in conformity with generally accepted accounting principles (GAAP).

The City has contracted with Maze and Associates, independent Certified Public Accountants (CPAs), to perform the audit of these financial statements. The auditors have issued an “unmodified” opinion on the City of Daly City’s financial statements. This is the most favorable conclusion and is commonly known as an “unmodified” or “clean” opinion. The auditor’s report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement the Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent audit is part of a broader federally mandated Single Audit, designed to meet the requirements of federal grantor agencies. The standards governing Single Audits require the independent auditor to report on the fair presentation of the financial statements as in the normal audit, but also require the independent auditor to report on the City’s internal controls and compliance with legal requirements specific to the federal grants. These reports are part of the separately issued Single Audit Report that is provided to the appropriate federal agencies.

PROFILE OF THE CITY

The City of Daly City is one of the largest cities in San Mateo County with an estimated population of 108,599 in January 2021. Daly City is an urbanized, coastal community located at the northern edge of San Mateo County, comprising approximately 7.7 square miles of substantially developed area. The City is known as the "Gateway to the Peninsula", and its area extends to the Pacific Ocean on the west, and nearly to San Francisco Bay on the East. Daly City abuts on San Bruno Mountain, a State and County Park, which features the highest peak in the area's hilly terrain. It is strategically located and is central to major growth areas of San Francisco and San Mateo counties.

Daly City was incorporated on March 22, 1911 as a General Law City. It is governed by a council-manager form of government. There are five council members who serve overlapping terms of four years, and the City Council, in turn, elects one of the council members to serve as Mayor each year. The City Council appoints the City Manager and the City Attorney. The City Manager is the chief executive officer. It is the City Manager's responsibility to hire department heads for each of the City functions, to propose the biennial budget, to coordinate and oversee all activities of the organization, and to implement the laws, policies, and budgets adopted by the City Council.

The City of Daly City is a full-service city providing a full range of municipal services. These services include police, fire, library, recreation, street construction and maintenance, traffic signalization and control, engineering, code enforcement, parks operations and maintenance, general administration, planning, and community development. The City also provides water services and sanitary sewer services. Operating and capital costs for these services are maintained in enterprise funds and are funded by user rates or debt proceeds.

The ACFR includes all funds and accounts of the City of Daly City and its blended component units. The financial statements include the financial activities of the City, the North San Mateo County Sanitation District, the Daly City Public Facilities Financing Corporation, and the Daly City Housing Development Finance Agency. The financial operations of the City and the other entities included in this financial report are closely related. City Council members serve as the governing board of the District, Corporation and Agency. The City Manager also serves as the General Manager of the Sanitation District, which is included in the proprietary fund types as an enterprise fund.

The biennial budget serves as the foundation for the City's financial planning and control. Using the Guiding Principles and Priorities established by the City Council, departments submit budget proposals to the City Manager for review. The City Manager's Proposed Budget is presented to the City Council during public budget study sessions. Changes as directed by the City Council are made and the budget is submitted for final adoption before July 1, the beginning of the next two-year budget cycle. Budgets for each of the two years covered by the biennial budget are appropriated separately. Departments are responsible for

managing within the City Council appropriated budget. Budget amendments are normally necessary due to changes in economic conditions and other circumstances occurring during the first year of the biennial budget.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Indicators

According to the Federal Open Market Committee, United States GDP in 2021 is expected to grow 5.9% whereas the average GDP change in 2020 was -2.3%, compared to 2.6% in 2019 and 2.3% in 2018. Due to the COVID-19 pandemic, California unemployment hit a record high of 16.4% in May 2020. However, as the State has been recovering and vaccines are more widespread, the unemployment rates have improved with September 2021 showing a 6.4% rate of unemployment. Jobs increased statewide at a year-over-year rate of 5% in September. The greatest risks to the forecast of the U.S. economy stem from supply chain and labor supply concerns, future variants of the COVID-19 virus, and concerns over inflation. Any or all of these could negatively impact exports and business investment.

In California, especially in the San Francisco Bay Area, housing prices continue to be increasingly expensive and unaffordable, particularly for first time homebuyers. The U.S. Home Price Growth on a year-over-year basis as measured by the Case-Shiller 20-City Composite Home Price Index was back up after the pandemic with a 19.1% increase as of September 2021, compared with a 5.2% increase in August 2020. The housing market continues to be equally challenging for California renters, many of whom need to spend more than half of their income on rent. Housing market research suggests that continued limited supply compared to demand is one of the major causes of high housing costs in the coastal California region.

Local Economy and Fiscal Challenges

General Fund revenues for FY 2021 decreased by \$5.7 million to \$89.8 million. This is due both to a reduction in some taxes resulting from the pandemic and a decrease in property taxes due to the shortfall in In-Lieu Vehicles License Fees. General Fund expenditures increased by \$8.7 million to \$95.7 million, of which \$5.0 million was due to salary and benefit cost increases.

Enterprise Funds

The City's two major enterprise funds, the Water Utility Fund and Sanitation District Fund, derive revenue from water usage.

Revenues for the Water Utility Fund increased by \$0.3 million to \$23.9 million in FY 2021 mainly due to a water rate increase. Because of COVID-19, the City delayed the FY

2021 water rate increase by six months, to January 1, 2021, leaving only six months of increased revenues. Expenses decreased \$0.2 million to \$16.7 million.

Sanitation District Fund operating revenues increased \$0.8 million to \$23.5 million in FY 2021, mostly due to an increase in water usage since there was no increase in the scheduled sewer rates in FY 2021. Operating expenses increased by \$2.3 million to \$28.3 million in FY 2021 primarily due to increases for insurance, services and supplies, and pension and OPEB costs.

LONG RANGE FINANCIAL PLANNING

The City employs a ten-year financial forecasting model to ensure accountability of service levels and to plan for future challenges. Long-range financial planning enables the City to foresee potential budget issues, giving the City sufficient time to respond to and analyze the long-term financial impact, as well as to take appropriate action before a problem develops. In addition, the long-range financial planning serves as a key planning tool for future budgets and decision-making.

Many of the fiscal drivers are outside the City's control. This includes changes in the national and local economy; federal and state legislation; and CalPERS actuarial assumptions and investment returns and the resulting impact on employer contribution rates. Due to the passage of Propositions 13, 218, and 26 in California, the City has no ability to institute taxes and assessments without voter approvals. For a ballot measure to be successful, there must be broad community support for the use of the tax and an outside group who will champion the tax or assessment increase.

Given the current and forecast budget challenges, the City has implemented a multi-pronged approach to address long-term fiscal challenges and to ensure the sustainability of the City's finances into the future.

1. Evaluate General Fund and other reserves. The City's Reserves policy is to maintain General Fund unassigned fund balance equal to 17% of annual operating expenditures. Maintaining the reserve target of 17% requires closely monitoring the balance between revenues and expenses on an ongoing basis. The General Fund reserve provides a buffer to the City in the event of unexpected reductions in revenues or increases in costs. The City also will be looking at deferred maintenance and deferred fleet replacements that have occurred since the 2008 economic recession and evaluate future funding levels and/or reserves to provide more consistent and sustained investment for these City assets.

2. Identify potential voter-approved taxes or assessments and other revenues. Over the next ten years, General Fund expenses will continue to increase beyond the City's ability to fund with current revenue sources. The City was successful with ballot measures on a cannabis business license tax ordinance and increases for transient occupancy tax

and business license tax in the November 2018 General Election. In addition, the Daly City voters approved Measure Q – the Daly City Local Recovery and Relief Measure – in November 2020, which adds a transaction and use tax of one-half cent to the total sales tax rate starting in April 2021. The City is also evaluating the fee schedules of City departments to ensure cost recovery of services provided.

3. Promote economic development and business expansion. While Daly City is largely built out, there are several development opportunities on the former Daly City Redevelopment Agency parcels. If realized, they will generate new sales, property, business license and transient occupancy taxes. In FY 2021, the City continued to explore a proposed hotel and automobile sales development on the former Redevelopment Agency parcels. Additionally, the City plans to update its economic development strategy to identify new opportunities for expanding and diversifying the economic base to ensure long-term fiscal sustainability.

4. Pre-fund Pension and Other Post-Employment Benefits (OPEB). A private letter ruling received from the Internal Revenue Service established that public agencies could create a separate trust to prefund pension or OPEB unfunded liabilities. In April 2017, the City Council authorized participation in the Section 115 Trust Program which allowed the City to set aside funds towards OPEB costs and help reduce the unfunded liability. The City is also considering establishing a Section 115 Trust to pre-fund pension costs and prepare for pension increases due to changes in CalPERS actuarial assumptions and discount rates.

The Section 115 Trust Program will provide the City with an alternative to sending funds to CalPERS that will allow for greater control of the assets held in the trust and risk tolerance level for the investment. Other potential benefits include pension rate stabilization. Assets in the Trust Program can be transferred to CalPERS at the City's discretion, which could reduce large fluctuations in employer contributions to CalPERS.

5. Complete comprehensive asset condition assessment. In 2017, the Public Works Department started this process by completing the Facilities Condition Assessment. The project included development of an automated inventory of City facilities, evaluation of existing conditions of facilities, prioritization of deficient conditions, and development of short- and long-range maintenance needs.

Then in 2020, Public Works completed the ADA Self Evaluation and Transition Plan. City facilities and right-of-way were inspected for accessibility and an inventory of needed upgrades were developed and prioritized. In that same year, Public Works completed the Parks and Open Space Master Plan. The city has over 30 parks and open space sites. Many facilities are outdated and underutilized. A list of improvements was developed to address short-, medium-, and long-term needs.

In 2020, Public Works also updated the City's Pavement Management System Report. The City's street network is 115.25 centerline miles in length and covers approximately 23.5 million square feet of pavement. The report provides a recommended schedule for maintenance and rehabilitation work needed to bring the street system to a condition that would minimize ongoing maintenance cost.

The findings from the above planning documents will be incorporated into a future Capital Improvement Plan for budgeting purposes. Future planning studies to be performed include a Storm Drain Master Plan, Water Master Plan, Sanitary Sewer Master Plan, and Seismic Evaluation of Critical Facilities. Results of these studies will identify needed work to properly maintain the City's infrastructure. It is imperative to have a comprehensive understanding of the infrastructure needs of the City, so that resources can be identified, and a long-term budget plan developed.

MAJOR INITIATIVES

During FY 2021, under the leadership of the City Council, several outstanding key programs and projects were successfully undertaken by the City.

Economic and Community Development

The Economic and Community Development Department has continued to provide its regular services throughout the pandemic, while implementing a variety of new programs and policies. Aside from the typical permit issuance and building inspections, the Building Division brought forward a new ordinance that allowed building permit extensions to account for construction delays related to the pandemic and created an ordinance that will require new construction to be all-electric to carry out the goals of the City's Climate Action Plan. Code Enforcement has taken on the enforcement of the Short-term Rental Ordinance that was adopted by the City Council last year. Planning Division and Economic Development staff have worked closely with the Police Department to establish zoning standards and an application process for retail cannabis businesses to locate in Daly City. The Housing Division continued to administer the federal funding that was provided to help households that were affected by COVID-19 through rental assistance, food distribution, and mental health services. While the pandemic slowed development overall, many significant projects initiated construction, including faculty housing for the Jefferson High School District and the Jefferson Elementary School District, a Carvana vehicle vending facility, and two drive-through restaurants at Serramonte Shopping Center.

Library and Recreation Services

The Department of Library and Recreation Services provided modified programming and facility spaces to the Daly City community during the COVID-19 pandemic. The Recreation Division began to offer modified afterschool support in their Afterschool Youth Recreation Program at five of their locations. The senior lunch program continued

in its modified Home Delivery model and Grab & Go programs, serving 150 seniors on a weekly basis, including 750 meals per week and providing five (5) home-cooked meals with all the components to qualify for the San Mateo County Congregate Meal Program. The marketing unit continued their virtual recreation on all social media platforms and has been publicizing all programs, activities, and special events to bring our community together. Special events, including the popular Trunk or Treat and movie nights, were transformed to be safely held as “drive-through” events and the Frosty Fest was celebrated virtually. Our contracted instructors provided fitness-focused virtual and outdoor classes to our Daly City community and will be transitioning to in-person in the next fiscal year. The Recreation division continued to provide emergency food distribution sites by partnering with the Second Harvest of Silicon Valley, serving between 1,000 to 1,500 households per week.

The Library continued to provide story times and other public programs virtually, and in-person outreach was resumed where it could be safely done outdoors. Over the course of the year, the Library provided 254 modified programs with total attendance of 5,064. E-book collections and other online resources were expanded, and patrons accessed these resources 60,345 times, a 20% increase over last year. Outdoor Wi-Fi was added at the Serramonte Main Library to help bridge the digital divide. Lending of cellular hotspots also helps meet this need, and the Library partnered with Senior Services to establish a large circulating collection of Chromebooks available for three-week-check-out at all library locations. Physical materials remained in demand, and checkout was made available at curbside and via mail during most of the year. After launching curbside service in June of 2020, the Library expanded it to all locations on October 5, 2020 and then added evening and weekend hours on April 3, 2021. On May 10, 2021, the libraries opened all buildings to the public again with a modified service model, layout changes to facilitate physical distancing, and safety protocols in place.

North County Fire Authority

The North County Fire Authority (NCFA) achieved an overall “Customer Satisfaction” rating of 98% in the delivery of emergency and non-emergency services. North County Fire also developed and implemented a NCFA Pandemic Response Plan covering preparedness, response, personnel protective equipment, illnesses, operational readiness, and continuity of operations. The NCFA provided high quality Basic Life Support and Advanced Life Support (ALS) assessment and interventions to emergency medical incidents utilizing our paramedic fire engine and truck companies, in which over half of total EMS calls benefited and served senior citizens. The NCFA achieved an overall average under the 6-minute response time goal for a fire engine or truck company to arrive at all emergency incidents.

Fire Prevention Services completed pre-fire engineering and plan check reviews and inspections for new construction projects, tenant improvements, alarm installations and

suppression systems and completed a fire “cause and origin” analysis for all fire incident investigations. In addition, the NCFA completed annual mandated and required fire and life safety code compliance inspections, including business, multi-family and permitted occupancies. North County Fire presented throughout the year, Basic Emergency Preparedness, Individual and Family Preparedness seminars, as well as Community Emergency Response Team (CERT) classes through a virtual format due to the COVID pandemic. And last, but not least, the NCFA provided multiple fire companies and chief officers to numerous large and major wildfire incidents throughout the State of California during the worst year on record for wildfires.

Police Department

The Daly City Police Department continues to be on the forefront of policing, often a leader in community engagement, policing tactics, and policy adaptation amongst local and regional agencies. We continue to participate in local and regional task forces focused on drug, vehicle theft, and gang activity. We partnered with local agencies in a Multidisciplinary Accident Investigation Team (MAIT) to share resources during complex collision investigations. We remain committed to our supportive partners like the Community Overcoming Relationship Abuse (CORA), the Homeless Outreach Team (HOT), and other County entities providing invaluable services to our community.

This year the Department implemented a Body Worn Camera program to further build community trust through transparency and we plan to implement vehicle mounted cameras as the next phase. We proactively evaluated and researched our needs to become compliant with the Racial and Identity Profiling Act (RIPA – AB953, 2015), a requirement for our agency beginning in 2022. Our efforts expedited our participation, and we were able to implement the software and data collection months before being required to do so.

The Daly City Police Department was the first agency in the region to train all sworn staff in Active Bystandership for Law Enforcement (ABLE), a Georgetown Law program geared towards preventing mistakes and misconduct and promoting officer health and wellbeing for improved community relationships. We continue to maintain a relationship with the Stanford University SPARQ (Social Psychological Answers to Real-World Questions) program, who provided communications training to officers for improved citizen contacts and community relations.

One of the most exciting programs implemented this year was a working relationship with a Mental Health Clinician through StarVista, a San Mateo County non-profit organization. This is a 2-year pilot program implemented amongst four police agencies in San Mateo County, and in the short time the program has been underway we have seen promising success. A clinician is assigned to our department and is embedded in the field with our patrol officers. In recent weeks, the clinician has supported officers in dealing

with people in crisis and those needing non-law enforcement supportive assistance. We continue to adopt legislative updates and best practices as our organization evolves within the law enforcement industry.

Public Works Department

The Public Works Department completed several capital improvement projects and continued to provide routine service to the public such as street sweeping, traffic signal maintenance, parks maintenance and litter and debris removal during this difficult year even with staff shortages, supply chain issues, and construction cost increases. In addition, Public Works instituted protective measures at all City facilities to protect City employees, residents, and business customers from the COVID-19 virus by installing physical barriers, touchless devices, social distance signage, and upgraded filtration to improve indoor air quality. Increased cleaning protocol was also implemented at all City facilities that remained operational during the pandemic.

Some completed projects by the Public Works Department include; three street resurfacing projects in the Skyline and Serramonte neighborhoods and other various streets throughout the city, new playground and energy efficient sports court/field lighting at Gellert Park, the Westlake Library HVAC and Roof Replacement Project, the Police Parking Lot Security Fence Project, the Doelger Senior Center Roof Replacement Project, new emergency standby generators at Fire Stations 91 and 94, retaining wall replacement project for three city parks, and replacement of the Public Works Corporation Yard fuel station canopy. Work also commenced on the Original Daly City Slurry Seal Project, the Tennis and Basketball Court Surface Rehabilitation Project, the new restroom at Gellert Park, the Central Corridor Bicycle and Pedestrian Safety Improvements Project, and the Mussel Rock 2019 Gabion Wall and Stormwater Maintenance Project.

The Public Works Department continues to seek grant funds for the City and was successful in securing additional funds for the Daly City Crosswalk Enhancement Project, the John Daly Boulevard/Skyline Boulevard Pedestrian Connection Project, the Vision Zero Community Outreach Program, and the Bayshore Shuttle.

Department of Water and Wastewater Resources

The Department of Water and Wastewater Resources (DWWR) continued to meet all public health and regulatory requirements associated with the production, treatment, and distribution of high-quality drinking water, along with the collection, treatment, re-use, and disposal of wastewater on behalf of the citizens of Daly City and the North San Mateo County Sanitation District. The Department continued to manage the critically important regional water, wastewater, and stormwater project, the Vista Grande Drainage Basin Improvement Project. DWWR is working diligently with our project partners, the San Francisco Public Utilities Commission, the County of San Mateo, Caltrans, the Olympic Club, and many others in anticipation of a construction start date in 2023.

Two important drinking water projects accomplished in 2021 were the rehabilitation of the Junipero Serra Well and the Jefferson Well. With the severe drought continuing throughout 2021, these two local wells, along with our other active and local wells, are contributing approximately half of the drinking water to the citizens of Daly City currently. Approximately 200 million gallons of highly treated recycled water is produced and sold annually to irrigate the golf courses, playing fields and median strips in the area. Finally, significant capital improvements made at the North San Mateo County Sanitation District Wastewater Treatment Facility include the installation of a new multi-rake bar screen and solids washer in Headworks #2, concrete rehabilitation of Gravity Thickener #2, installation of a new sludge solids de-watering centrifuge, and construction of a new roof and HVAC system for the Administration Building.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting to governments for their Annual Comprehensive Financial Report (ACFR). The GFOA has not yet completed its review of the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. Thus, the City does not yet know if it will receive this prestigious award for 2020, making it the City's 34th consecutive year.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

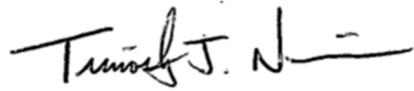
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated efforts of the Accounting Division of the Department of Finance and Administrative Services. Each individual has our sincere appreciation for the professionalism, dedication and contributions made in the preparation of this report.

Credit must also be given to the Mayor, City Council members and City Department Directors for their support in maintaining the highest standards of professionalism in the management of the City of Daly City's finances.

Respectfully submitted,



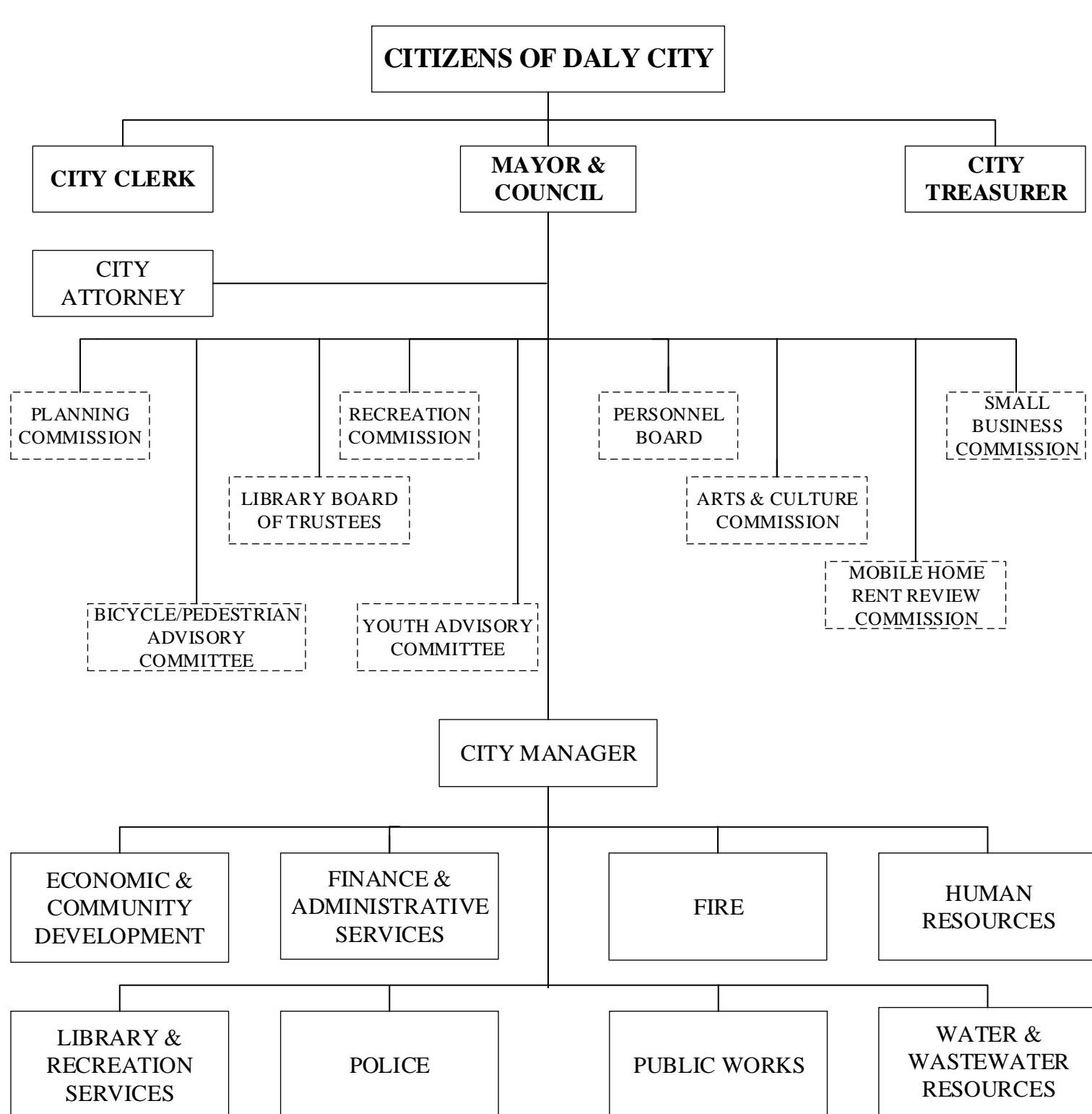
Shawnna Maltbie
City Manager



Timothy J. Nevin
Director of Finance and
Administrative Services



**CITY OF DALY CITY
ORGANIZATIONAL STRUCTURE
FISCAL YEAR 2022**



**CITY OF DALY CITY
CITY COUNCIL
JUNE 30, 2021**

Juslyn C. Manalo, Mayor

Rod Daus-Magbual, Vice Mayor

Raymond A. Buenaventura

Pamela DiGiovanni

Glenn R. Sylvester

K. Annette Hipona
City Clerk

Daneca Halvorson
City Treasurer

ADMINISTRATION AND DEPARTMENT HEADS

Shawnna Maltbie	City Manager
Rose Zimmerman	City Attorney
Richard Chiu Jr.	Director of Public Works
Patrick Hensley	Police Chief
Timothy Nevin	Director of Finance and Administrative Services
Tatum Mothershead	Director of Economic & Community Development
Ron Myers	Fire Chief
Tom Piccolotti	Director of Water & Wastewater Resources
Natalie Sakkal	Director of Human Resources



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the
City Council of the City of Daly City, California

Report on the Financial Statements

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 Daly City, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and required the restatement of net position as discussed in Note 11D to the financial statements. In addition, the Statement established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds.

Management also early-adopted the provisions of Governmental Accounting Standards Board Statement No. 98 - *The Annual Comprehensive Financial Report* for the year ended June 30, 2021, which establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the 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.

Other 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 Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, 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.

Maye & Associates

Pleasant Hill, California

December 21, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the City of Daly City's financial results provides an overview of the City's financial activities for the year ended June 30, 2021.

FISCAL YEAR 2021 FINANCIAL HIGHLIGHTS

- At June 30, 2021, net position totaled \$142.6 million, a decrease of \$3.7 million from the prior year total of \$146.3 million for both Governmental and Business-Type activities.
- Net Position of governmental activities in Fiscal Year (FY) 2021 was \$45.1 million compared to \$51.6 million in FY 2020, a decrease of \$6.5 million.
- Net Pension and OPEB Liabilities of governmental activities increased by \$10.7 million to \$201.7 million in FY 2021 from \$191.0 million in FY 2020.
- Net Position of business-type activities in FY 2021 was \$97.4 million compared to \$94.7 million in FY 2020, an increase of \$2.7 million.
- Net Pension and OPEB Liabilities of business-type activities increased by \$2.9 million to \$28.6 million in FY 2021 from \$25.7 million in FY 2020.
- In FY 2021, total City revenues, including program and general revenues, were \$157.4 million, while total expenses were \$161.2 million.
- Governmental activities program revenues were \$35.2 million in FY 2021 compared with \$39.8 million in FY 2020. Business-type program revenues were \$47.9 million in FY 2021 compared with \$46.9 million in FY 2020.
- Governmental activities general revenues were \$71.3 million in FY 2021 compared with \$77.1 million in FY 2020, a decrease of \$5.8 million over the prior year. Part of this is a \$3.3 million decrease in property taxes, largely due to the shortfall in In-Lieu Vehicle License Fees. The County expects to recover this shortfall in future fiscal years. In addition, investment earnings were much lower than in previous years, bringing down overall revenues. Business-type general revenues were \$2.9 million in FY 2021, a decrease of \$1.2 million over the prior year.
- Unrestricted net position of governmental funds changed from negative (\$76.1) million in FY 2020 to negative (\$87.7) million in FY 2021, primarily due to an increase of \$8.9 million in the net pension liabilities and related deferred outflows/inflows of resources.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report (ACFR) is in three sections:

- 1) Introductory Section containing the Transmittal Letter and miscellaneous other information

- 2) Financial Section containing the Independent Auditor's Report, this Management's Discussion and Analysis, the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the Notes to these financial statements, Required Supplementary Information, and Combining Statements for Non-major Governmental Funds and Fiduciary Funds
- 3) Statistical Section containing financial trend data and general statistical information about the City

The Basic Financial Statements

The Basic Financial Statements are comprised of the City-wide Financial Statements and the Fund Financial Statements, including the Notes thereto. These two sets of financial statements provide two different views of the City's financial activities and financial position.

The *Government-wide Financial Statements* provide a longer-term view of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, like that used by private corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

All the City's activities are grouped into governmental activities and business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities to provide a summary of these two types of activities of the City as a whole.

The *Fund Financial Statements* report the City's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

Major funds account for the major financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds.

The fiduciary statements provide financial information about the assets for which the City acts solely as custodian in its capacity as a fiscal agent.

The Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All the City's basic services are considered to be governmental activities, including general government, public safety, public works, streets and infrastructure, culture and recreation, and economic and community development. These services are supported by general City revenues such as taxes, and by specific program revenues.
- Business-type activities - All the City's enterprise activities are reported here, including water, sewer, and solid waste transport. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year and may change from year to year because of changes in the pattern of the City's activities.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund financial statements.

Enterprise fund financial statements are prepared on the full accrual basis, and include all their assets and liabilities, both current and long-term.

Since the City's internal service funds provide goods and services only to the City's governmental and business-type activities, their activities are reported only in total at the fund level. Internal service funds cannot be major funds because their revenues are derived from other City funds. These revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the activities which created them, along with any residual net position of the internal service funds.

Comparisons of budget and actual financial information are presented only for the General Fund and other major funds that are special revenue funds.

Fiduciary Statements – The City is the fiscal agent for a few small local agencies. Fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net position and changes in net position of the City's governmental activities and business-type activities (Tables 1, 2, and 3) presented in the City-wide Statement of Net Position and Statement of Activities that follow.

Table 1
Net Position at June 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 156,418	\$ 139,561	\$ 51,639	\$ 46,960	\$ 208,057	\$ 186,521
Other assets	31,199	28,159	9,493	9,149	40,692	37,308
Capital assets	99,080	101,587	68,995	70,930	168,075	172,517
Total assets	286,697	269,307	130,127	127,039	416,824	396,346
Deferred outflows of resources		30,080	4,350	3,920	4,350	34,000
Long-term debt	14,101	16,198	2,967	3,822	17,068	20,020
Net pension & OPEB liabilities	201,666	191,003	28,626	25,752	230,292	216,755
Other liabilities	53,129	33,725	4,899	5,442	58,028	39,167
Total liabilities	268,896	240,926	36,492	35,016	305,388	275,942
Deferred inflows of resources	3,312	6,817	511	1,206	3,823	8,023
Net assets (net position):						
Net investment in capital assets	96,789	100,413	66,028	67,108	162,817	167,521
Restricted	36,133	27,367	11	11	36,144	27,378
Unrestricted	(87,745)	(76,136)	31,434	27,618	(56,311)	(48,518)
Total net assets (net position)	\$ 45,177	\$ 51,644	\$ 97,473	\$ 94,737	\$ 142,650	\$ 146,381

Governmental Activities

The City's net position from governmental activities decreased from \$51.6 million in FY 2020 to \$45.1 million in FY 2021. The decrease in the Change in Net Position reflected in the Statement of Activities, as shown in Table 1. Increases and decreases of individual assets and liabilities include:

- Governmental cash and investments increased \$16.9 million from \$139.5 million in FY 2020 to \$156.4 million in FY 2021 mainly due to the receipt of \$12.6 million in American Rescue Plan Act (ARPA) federal grant funds and a significant increase in Engineering deposits.
- In FY 2021, \$0.3 million in Housing and Urban Development Section 108 Loan and \$3.2 million in Pension Obligation Bonds were retired.

- Other liabilities increased \$18.8 million because of the increase in Engineering deposits and the placement of the \$12.6 million in new ARPA funding in unearned revenue until the City allocates the funding.
- Restricted net position increased \$8.7 million. The unrestricted net position declined by \$11.6 million from (\$76.1 million) in FY 2020 to (\$87.7 million) in FY 2021. The City's unrestricted net position was negatively impacted in fiscal year 2014-15 with the implementation of GASB 68, which continues to require the disclosure of the City's unfunded pension liability.

Business-type Activities

The net position of business-type activities increased \$2.7 million to a total of \$97.4 million in FY 2021 from \$94.7 million in FY 2020. Increases and decreases of individual assets and liabilities are as follows:

- Cash and investments increased \$4.7 million and partially reflect an increase in revenues in both the Water and Sanitation funds.
- Long-term debt decreased \$0.9 million due to ongoing debt payments. Investments in infrastructure and major capital improvements began to return to more normal levels in FY 2021, even with the continuing economic uncertainties from COVID-19. However, no significant projects were completed and there was a decrease of \$2.0 million in capital assets as current year depreciation expenses exceeded capital additions.
- Unrestricted net position increased \$3.8 million to \$31.4 million in FY 2021.

Changes in Net Position

Total governmental activities revenues in FY 2021 amounted to \$106.5 million compared to \$117.0 million in FY 2020, a decrease of \$10.5 million in FY 2021 due to a decrease in property tax, other taxes, charges for services and investment earnings. Governmental expenses increased by \$4.3 million in FY 2021.

Total business-type activities revenues decreased \$0.2 million in FY 2021 and expenses increased \$1.6 million.

Table 2
Changes in Net Position
For Years Ended June 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 14,464	\$ 18,235	\$ 47,919	\$ 46,909	\$ 62,383	\$ 65,144
Operating grants & contributions	18,280	17,185	-	-	18,280	17,185
Capital grants & contributions	2,472	4,430	-	-	2,472	4,430
Total program revenues	35,216	39,850	47,919	46,909	83,135	86,759
General revenues:						
Property tax	33,950	37,261	2,336	2,254	36,286	39,515
Sales tax	18,567	16,372	-	-	18,567	16,372
Other taxes & franchise fees	17,468	17,584	-	-	17,468	17,584
Investments earnings	(109)	4,581	7	1,518	(102)	6,099
Other	1,495	1,360	645	480	2,140	1,840
Total general revenues	71,371	77,158	2,988	4,252	74,359	81,410
Total revenues	106,587	117,008	50,907	51,161	157,494	168,169
Expenses:						
General government	13,340	12,999	-	-	13,340	12,999
Public safety	67,486	65,368	-	-	67,486	65,368
Public works	17,735	14,216	-	-	17,735	14,216
Culture & recreation	10,762	12,597	-	-	10,762	12,597
Economic & community development	5,193	4,650	-	-	5,193	4,650
Interest on long-term debt	820	1,160	-	-	820	1,160
Water utility	-	-	16,761	17,107	16,761	17,107
Sewer	-	-	28,264	26,304	28,264	26,304
Civic center	-	-	864	833	864	833
Transfer station	-	-	-	29	-	29
Total expenses	115,336	110,990	45,889	44,273	161,225	155,263
Increase (decrease) in net assets /net position before transfers	(8,749)	6,018	5,018	6,888	(3,731)	12,906
Transfers	2,282	3,058	(2,282)	(3,058)	-	-
Increase in net assets / net position	(6,467)	9,076	2,736	3,830	(3,731)	12,906
Net assets / net position, July 1	51,644	42,568	94,737	90,907	146,381	133,475
Net assets / net position, June 30	\$ 45,177	\$ 51,644	\$ 97,473	\$ 94,737	\$ 142,650	\$ 146,381

Governmental Activities

Table 3 presents the net cost of each of the City's governmental programs. Net cost is defined as total program cost less the revenues generated by those specific activities and corresponds to the Statement of Activities amounts. In general terms, the net cost illustrates the financial burden placed on the City's general taxpayers to fund these essential City services.

Table 3
Governmental Activities
For the Year Ended June 30, 2021
(in thousands)

	<u>Program Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>
Governmental Activities			
General government	\$ 8,056	\$ 13,340	\$ (5,284)
Public safety	6,713	67,486	(60,773)
Public works	13,374	17,735	(4,361)
Culture & recreation	1,485	10,762	(9,277)
Economic & community development	5,587	5,193	394
Interest on long-term debt	—————	820	(820)
Total governmental activities	<u>\$ 35,215</u>	<u>\$ 115,336</u>	<u>\$ (80,121)</u>

THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

At June 30, 2021, the City's major governmental funds consist of the General Fund, Gas Tax Fund, Grants Fund and Capital Projects Fund. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial status.

The General Fund's total fund balance decreased \$10.7 million to \$62.9 million in FY 2021 compared to \$73.6 million in FY 2020.

General Fund revenues for FY 2021 decreased by \$5.7 million to \$89.8 million from \$95.5 million in FY 2020 due to lower property taxes, other taxes, charges and fees, and interest income in 2021. General Fund expenditures increased by \$8.7 million to \$95.7 million in FY 2021, primarily due to increases in salaries that were in accordance with memoranda of understanding.

In FY 2021, the Gas Tax Special Revenue Fund total fund balance increased by \$5.5 million to \$12.4 million. The balance in this fund represents funds that are legally required to be spent on local roadway projects. All such amounts are budgeted for future expenditure as laid out in the multi-year capital improvement plan. Gas Tax Fund revenues increased slightly in FY 2021 to \$11.0 million compared to FY 2020 at \$10.7 million due to continuing strong revenues from SB-1 Road Maintenance and Measure A County funding and higher grant amounts. Gas Tax Special Revenue Fund expenditures decreased \$1.7 million in FY 2021.

The Capital Projects Fund total fund balance increased \$2.9 million in FY 2021 to \$28.4 million compared to \$25.5 million in FY 2020. This Fund is designated for specific capital projects that will benefit the community. Capital Projects Fund revenues decreased \$3.7 million in FY 2021 to \$2.8 million. Capital Projects Fund expenditures increased \$0.3 million in FY 2021.

Enterprise Funds

The City has two major enterprise funds, the Water Utility Fund and the Sanitation District Fund. Water Utility operating revenues in FY 2021 increased \$0.3 million to \$23.9 million compared to FY 2020 even though the Water Utility delayed the FY 2021 water increase for six months due to the COVID-19 pandemic. Operating expenses decreased \$0.2 million in FY 2021 to \$16.7 million. Sanitation District operating revenues increased \$0.8 million to \$23.5 million in FY 2021 due to most likely an increase in water usage during the COVID-19 pandemic. Operating expenses increased by \$2.3 million to \$28.3 million in FY 2021 primarily due to increases for insurance, services and supplies, and pension and OPEB costs.

General Fund Budgetary Highlights

The City typically uses a biennial budgeting process. Two individual budget years are proposed to the City Council at the same time, with mid-budget adjustments at the end of the first of the two years. This process provides more opportunity for long-term planning but does require adjustments based on changing economic conditions. However, due to COVID-19, the City completed a one-year budget process for FY 2021. Revenues were below budget by about \$8.8 million because the City originally budgeted to utilize half of its American Rescue Plan Act funds (\$12.6 million) in FY 2021 to offset revenues losses. The City did not recognize the revenue in FY 2021 and instead will see funding dispersed within the FY 2022 budget and FY 2023 budget. Expenditures were below final budgeted amounts by \$9.2 million mostly because of staffing vacancies. Differences between original and final budget occur primarily due to the impact of new revenues, small grants or reimbursements, or the need to reallocate resources during the fiscal year.

CAPITAL ASSETS

At the end of FY 2021 the City had \$168.0 million, net of accumulated depreciation, invested in a broad range of capital assets, as shown in Table 4 below (further detail may be found in Note 4 to the financial statements):

Table 4
Capital Assets Net of Depreciation at June 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 27,856	\$ 33,029	\$ 2,863	\$ 2,863	\$ 30,719	\$ 35,892
Buildings & improvements	25,582	25,952	1,639	1,805	27,221	27,757
Streets & infrastructures	21,225	20,492	-	-	21,225	20,492
Sewage facilities	-	-	18,053	19,225	18,053	19,225
Wells & pump stations	-	-	4,372	4,562	4,372	4,562
Water reservoirs	-	-	6,851	7,010	6,851	7,010
Mains and subsurface lines	-	-	21,898	21,897	21,898	21,897
Equipment	8,013	5,369	4,276	4,401	12,289	9,770
Furniture & fixtures	20	24	50	57	70	81
Construction in progress	16,384	16,721	8,993	9,110	25,377	25,831
Total net capital assets	\$ 99,080	\$ 101,587	\$ 68,995	\$ 70,930	\$ 168,075	\$ 172,517

DEBT ADMINISTRATION

Each of the City's debt issues is discussed in detail in Note 5 to the financial statements. At June 30, the City's debt was comprised of:

Table 5
Outstanding Debt
(in thousands)

Description	Original Interest	Governmental Activities		Business-type Activities		Total Primary Government	
		2021	2020	2021	2020	2021	2020
<u>State Water Resources Control Board Revolving Fund Loan for Sanitation District Recycled Water Project</u> Issued November 18, 2003 Maturity December 1, 2024	2.50%	\$ 4,450	\$ -	\$ 1,087	\$ 1,342	\$ 1,087	\$ 1,342
<u>HUD Section 108 Loan for Baysshore Community Center</u> Issued January 29, 2004 Maturity August 1, 2022	0.35% to 2.49%	\$ 4,500	808	1,173	-	808	1,173
<u>Pension Obligation Bonds</u> Issued June 1, 2004 Maturity June 1, 2024	2.65% to 5.896%	\$ 36,235	11,810	15,025	-	11,810	15,025
<u>Water Revenue Refunding Bonds to Refinance Water Certificates of Participation</u> Issued September 10, 2012 Maturity June 1, 2024	2.00% to 3.00%	\$ 6,890	-	-	1,880	2,480	1,880
<u>Equipment Lease Purchase Community First Bank</u> Issued December 18, 2020 Maturity December 18, 2028	2.7%	\$ 1,483	1,483	-	-	1,483	-
Total City Long-Term Debts		\$ 14,101	\$ 16,198	\$ 2,967	\$ 3,822	\$ 17,068	\$ 20,020

ECONOMIC FACTORS

During fiscal year (FY) 2020-21, the City continued to experience a decline in revenues and limited economic growth due to the ongoing COVID-19 health emergency. Like many other jurisdictions, the City experienced a decline in sales tax revenue, though some of that decline was masked by new sales tax revenue resulting from the passage of Measure Q - the Daly City Local Recovery & Relief Measure. Measure Q was approved by voters in November 2020 and the City began receiving revenue in April of 2021. Also, since tourism all but ceased, Transient Occupancy Tax saw a large decline compared to the previous year. Similarly, Interest on Investment declined significantly in FY 2021.

ADDITIONAL INFORMATION

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Department of Finance and Administrative Services, 333 90th Street, Daly City California, 94015. Additional information about the City of Daly City, including our budget documents, can be found at www.dalycity.org.



STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities and the Change in Net Position is computed and reconciled with the Statement of Net Position.

CITY OF DALY CITY
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments (Note 1G)	\$152,671,109	\$51,627,768	\$204,298,877
Cash with fiscal agent (Note 1G)	549	11,324	11,873
Restricted cash (Note 1G)	3,746,447		3,746,447
Accounts receivable, net	12,219,104	6,199,451	18,418,555
Inventories (Note 1H)	204,860	1,944,469	2,149,329
Prepays (Note 1H)	2,001,763	6,347	2,008,110
Internal balances (Note 6)	(1,342,510)	1,342,510	
Notes receivable (Note 12)	1,418,406		1,418,406
Loan receivable from Successor Agency (Note 14C)	13,330,550		13,330,550
Property held for development (Note 1C)	3,366,888		3,366,888
Capital assets (Note 4):			
Nondepreciable capital assets	44,240,291	11,856,117	56,096,408
Depreciable capital assets, net	<u>54,839,731</u>	<u>57,138,721</u>	<u>111,978,452</u>
Total Assets	<u>286,697,188</u>	<u>130,126,707</u>	<u>416,823,895</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 7D)	25,930,616	3,604,306	29,534,922
Related to OPEB (Note 8E)	<u>4,757,837</u>	<u>745,413</u>	<u>5,503,250</u>
Total Deferred Outflows of Resources	<u>30,688,453</u>	<u>4,349,719</u>	<u>35,038,172</u>
LIABILITIES			
Accounts payable	9,009,320	2,380,599	11,389,919
Accrued payroll	1,230,024	108,610	1,338,634
Deposits payable	7,794,030	19,000	7,813,030
Unearned revenue	12,627,672		12,627,672
Interest payable	87,234	18,981	106,215
Compensated absences (Note 1K):			
Due within one year	5,393,920	833,451	6,227,371
Due in more than one year	<u>6,836,911</u>	<u>1,538,939</u>	<u>8,375,850</u>
Accrued claims payable (Note 10):			
Due within one year	2,452,655		2,452,655
Due in more than one year	7,697,345		7,697,345
Net OPEB liability, due in more than one year (Note 8C)	36,406,234	5,703,792	42,110,026
Net pension liability, due in more than one year (Note 7C)	165,259,949	22,922,234	188,182,183
Long-term debt (Note 5):			
Due within one year	4,145,490	876,709	5,022,199
Due in more than one year	<u>9,955,566</u>	<u>2,090,045</u>	<u>12,045,611</u>
Total Liabilities	<u>268,896,350</u>	<u>36,492,360</u>	<u>305,388,710</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 7D)	51,967		51,967
Related to OPEB (Note 8E)	<u>3,260,238</u>	<u>510,784</u>	<u>3,771,022</u>
Total Deferred Inflows of Resources	<u>3,312,205</u>	<u>510,784</u>	<u>3,822,989</u>
NET POSITION (Note 11)			
Net investment in capital assets	<u>96,788,966</u>	<u>66,028,084</u>	<u>162,817,050</u>
Restricted for:			
Debt service	549	11,324	11,873
Streets and roads	12,488,380		12,488,380
Infrastructure	11,936,252		11,936,252
Low and Moderate Income Housing Asset	8,968,790		8,968,790
Other	<u>2,739,352</u>		<u>2,739,352</u>
Total Restricted Net Position	<u>36,133,323</u>	<u>11,324</u>	<u>36,144,647</u>
Unrestricted	<u>(87,745,203)</u>	<u>31,433,874</u>	<u>(56,311,329)</u>
Total Net Position	<u>\$45,177,086</u>	<u>\$97,473,282</u>	<u>\$142,650,368</u>

See accompanying notes to financial statements

CITY OF DALY CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$13,339,758	\$422,110	\$7,443,826	\$189,998	(\$5,283,824)		(\$5,283,824)
Public safety	67,486,476	5,371,364	1,342,082		(60,773,030)		(60,773,030)
Public works	17,734,741	4,113,341	6,979,107	2,282,077	(4,360,216)		(4,360,216)
Culture and recreation	10,761,931	502,031	983,447		(9,276,453)		(9,276,453)
Economic and community development	5,193,416	4,054,903	1,531,687		393,174		393,174
Interest on long-term debt	820,486				(820,486)		(820,486)
Total Governmental Activities	<u>115,336,808</u>	<u>14,463,749</u>	<u>18,280,149</u>	<u>2,472,075</u>	<u>(80,120,835)</u>		<u>(80,120,835)</u>
Business-type Activities:							
Water Utility	16,761,016	23,672,903				\$6,911,887	6,911,887
Civic Center	863,506	881,616				18,110	18,110
Transfer Station	(213)					213	213
Sanitation District	28,264,570	23,364,666				(4,899,904)	(4,899,904)
Total Business-type Activities	<u>45,888,879</u>	<u>47,919,185</u>				<u>2,030,306</u>	<u>2,030,306</u>
Total	<u><u>\$161,225,687</u></u>	<u><u>\$62,382,934</u></u>	<u><u>\$18,280,149</u></u>	<u><u>\$2,472,075</u></u>	<u><u>(80,120,835)</u></u>	<u><u>2,030,306</u></u>	<u><u>(78,090,529)</u></u>
General revenues:							
Taxes:							
Property tax				33,949,879	2,335,681	36,285,560	
Sales tax				18,566,645		18,566,645	
Utility users tax				5,912,945		5,912,945	
Franchise fees				4,255,982		4,255,982	
Other taxes				7,300,774		7,300,774	
Investment earnings				(109,320)	7,164	(102,156)	
Gain from sale of capital assets				344,034	1,852	345,886	
Miscellaneous				1,150,745	643,228	1,793,973	
Transfers (Note 6)				2,282,058	(2,282,058)		
Total general revenues and transfers				<u>73,653,742</u>	<u>705,867</u>	<u>74,359,609</u>	
Change in Net Position				<u>(6,467,093)</u>	<u>2,736,173</u>	<u>(3,730,920)</u>	
Net Position-Beginning				<u>51,644,179</u>	<u>94,737,109</u>	<u>146,381,288</u>	
Net Position-Ending				<u><u>\$45,177,086</u></u>	<u><u>\$97,473,282</u></u>	<u><u>\$142,650,368</u></u>	

See accompanying notes to financial statements



FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

CITY OF DALY CITY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General	Gas Tax	Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 1G)	\$64,011,242	\$11,983,765	\$209,775	\$28,647,705	\$6,236,785	\$111,089,272
Restricted cash and investments (Note 1G)	3,746,447					3,746,447
Accounts receivable, net	9,596,160	1,525,624	556,605	207,674	286,309	12,172,372
Due from other funds (Note 6)	241,028					241,028
Prepays (Note 1H)	518,707					518,707
Inventories (Note 1H)	18,640	25,184				43,824
Notes receivable (Note 12)			396,938		1,021,468	1,418,406
Loan receivable from Successor Agency (Note 14C)	13,330,550					13,330,550
Property held for development (Note 1C)					3,366,888	3,366,888
Total Assets	\$91,462,774	\$13,534,573	\$1,163,318	\$28,855,379	\$10,911,450	\$145,927,494
LIABILITIES						
Accounts payable	\$6,970,414	\$1,032,623	\$66,576	\$427,238	\$46,157	\$8,543,008
Accrued payroll	1,166,165	13,570	3,275		3,950	1,186,960
Due to other funds (Note 6)					241,028	241,028
Deposits payable	7,788,390				5,640	7,794,030
Unearned revenue	12,627,672					12,627,672
Total Liabilities	28,552,641	1,046,193	69,851	427,238	296,775	30,392,698
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - loans			396,938		1,021,468	1,418,406
FUND BALANCES						
Fund Balance (Note 11)						
Nonspendable	13,875,487	25,184				13,900,671
Restricted	3,746,447	12,463,196	696,529	11,936,252	9,593,321	38,435,745
Assigned	375,051			16,491,889		16,866,940
Unassigned	44,913,148				(114)	44,913,034
Total Fund Balances	62,910,133	12,488,380	696,529	28,428,141	9,593,207	114,116,390
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$91,462,774	\$13,534,573	\$1,163,318	\$28,855,379	\$10,911,450	\$145,927,494

See accompanying notes to financial statements

CITY OF DALY CITY
 Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances reported on the Governmental Funds Balance Sheet \$114,116,390

Amounts reported for Governmental Activities in the Statement of Net Position
are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and
therefore are not reported in the Governmental Funds. 91,688,339

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to
charge the costs of certain activities, such as insurance, central services and maintenance
to individual governmental funds. The net current assets of the internal service funds are therefore
included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	41,582,386
Accounts receivable	46,732
Prepays	1,483,056
Deferred outflows	395,992
Inventories	161,036
Internal balances	(1,342,510)
Capital assets	7,391,683
Accounts payable	(466,312)
Accrued payroll	(43,064)
Interest payable	(79,144)
Accrued claims payable	(10,150,000)
Compensated absences	(737,073)
Net OPEB liability	(3,030,139)
Deferred inflows	(271,353)
Long-term debt - due within one year	(3,755,490)
Long-term debt - due in more than one year	(9,537,566)

ACCRAUL OF NONCURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently
are taken into revenue in the Statement of Activities. 1,418,406

DEFERRED INFLOWS AND OUTFLOWS

The deferred outflows below are not current assets or financial resources; and the deferred inflows
are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows	30,292,461
Deferred inflows	(3,040,852)

LONG TERM ASSETS AND LIABILITIES

The liabilities below are not due and payable in the current period and therefore are not
reported in the funds:

Long-term debt	(808,000)
Interest payable	(8,090)
Net OPEB liability	(33,376,095)
Net pension liability	(165,259,949)
Compensated absences	(11,493,758)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$45,177,086

See accompanying notes to financial statements

CITY OF DALY CITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General	Gas Tax	Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property tax	\$33,949,879					\$33,949,879
Gas tax		\$4,404,530				4,404,530
Sales tax	15,570,850		2,995,795			18,566,645
Utility users tax	5,912,945					5,912,945
Franchise fees	4,255,982					4,255,982
Other taxes	7,300,774					7,300,774
Licenses and permits	2,981,237					2,981,237
Fines and forfeitures	3,040,526					3,040,526
Rents and interest	562,070	1,965	\$5,791	(\$56,565)	\$51,185	564,446
Federal programs and grants		2,014,965	422,222	215,118	994,785	3,647,090
Receipts from other agencies	8,388,845	435,446	927,537	254,055		10,005,883
Charges and fees	5,636,364	1,125,210		2,201,354	72,084	9,035,012
Miscellaneous	2,218,015	90,653	63,237	189,998	262,784	2,824,687
Total Revenues	89,817,487	11,068,564	1,418,787	2,803,960	1,380,838	106,489,636
EXPENDITURES						
Current:						
General government	12,818,394		5,000			12,823,394
Public safety	63,235,389		526,755		29,063	63,791,207
Public works	5,644,073	3,756,419			26,353	9,426,845
Culture and recreation	10,125,396		71,231			10,196,627
Economic and community development	3,971,153		381,301		1,123,929	5,476,383
Capital projects		6,291,602	276,927	3,070,593		9,639,122
Debt service:						
Principal					365,000	365,000
Interest					23,020	23,020
Total Expenditures	95,794,405	10,048,021	1,261,214	3,070,593	1,567,365	111,741,598
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,976,918)	1,020,543	157,573	(266,633)	(186,527)	(5,251,962)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of property	379,095					379,095
Transfers in (Note 6)	3,330,227	5,321,092		4,833,167	228,500	13,712,986
Transfers (out) (Note 6)	(8,490,365)	(840,304)		(1,661,410)		(10,992,079)
Total Other Financing Sources (Uses)	(4,781,043)	4,480,788		3,171,757	228,500	3,100,002
NET CHANGES IN FUND BALANCES	(10,757,961)	5,501,331	157,573	2,905,124	41,973	(2,151,960)
BEGINNING FUND BALANCES	73,668,094	6,987,049	538,956	25,523,017	9,551,234	116,268,350
ENDING FUND BALANCES	\$62,910,133	\$12,488,380	\$696,529	\$28,428,141	\$9,593,207	\$114,116,390

See accompanying notes to financial statements

CITY OF DALY CITY
 Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	(\$2,151,960)
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance.	7,436,748
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$900,361 which has already been allocated to serviced funds).	(4,335,479)
Retirements are deducted from fund balance	(5,205,335)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	365,000
Interest accrued is deducted from fund balance	93,730

ACCRUAL OF NONCURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

Unavailable revenue	(108,953)
Compensated absences	(1,906,444)
OPEB expense	2,289,427
Pension expense	(8,861,872)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are used to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these internal service funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in net position of all internal service funds	5,918,045
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

(\$6,467,093)

See accompanying notes to financial statements

**CITY OF DALY CITY
GENERAL FUND**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Property tax	\$34,484,256	\$33,715,121	\$33,949,879	\$234,758
Sales tax	12,939,190	14,505,744	15,570,850	1,065,106
Utility users tax	5,753,754	5,857,300	5,912,945	55,645
Franchise fees	4,236,246	4,475,461	4,255,982	(219,479)
Other taxes	5,918,703	19,701,972	7,300,774	(12,401,198)
Licenses and permits	2,708,823	2,546,922	2,981,237	434,315
Fines and forfeitures	3,798,742	3,683,768	3,040,526	(643,242)
Rents and interest	1,254,584	1,859,697	562,070	(1,297,627)
Receipts from other agencies	633,406	6,926,178	8,388,845	1,462,667
Charges and fees	5,899,445	5,033,244	5,636,364	603,120
Miscellaneous	3,655,908	353,825	2,218,015	1,864,190
Total Revenues	81,283,057	98,659,232	89,817,487	(8,841,745)
EXPENDITURES				
Current Operations:				
General Government				
Legislative:				
Salaries and benefits	186,956	255,795	247,717	8,078
Services and supplies	39,462	41,211	36,623	4,588
Other charges	36,812	14,638	16,267	(1,629)
Total Legislative	263,230	311,644	300,607	11,037
Legal:				
Salaries and benefits	928,657	1,071,492	1,020,437	51,055
Services and supplies	178,632	192,295	170,004	22,291
Other charges	8,666	8,726	5,394	3,332
Total Legal	1,115,955	1,272,513	1,195,835	76,678
Administrative:				
Salaries and benefits	8,326,687	7,845,907	8,525,636	(679,729)
Services and supplies	1,905,289	2,468,809	2,160,493	308,316
Other charges	1,190,518	1,214,214	635,823	578,391
Total Administrative	11,422,494	11,528,930	11,321,952	206,978
Total General Government	12,801,679	13,113,087	12,818,394	294,693
Public Safety				
Police:				
Salaries and benefits	29,711,074	35,766,185	30,282,473	5,483,712
Services and supplies	6,898,181	7,633,056	7,282,381	350,675
Capital outlay	85,750	319,035	406,945	(87,910)
Other charges	496,539	496,754	449,915	46,839
Total Police	37,191,544	44,215,030	38,421,714	5,793,316
Fire:				
Salaries and benefits	18,086,111	21,982,738	21,456,254	526,484
Services and supplies	2,736,581	3,055,807	2,896,034	159,773
Capital outlay	63,782	203,101	254,211	(51,110)
Other charges	123,499	168,389	207,176	(38,787)
Total Fire	21,009,973	25,410,035	24,813,675	596,360
Total Public Safety	58,201,517	69,625,065	63,235,389	6,389,676

(Continued)

**CITY OF DALY CITY
GENERAL FUND**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Public Works				
Salaries and benefits	3,123,108	4,717,933	3,909,739	808,194
Services and supplies	928,616	1,906,111	1,661,008	245,103
Other charges	86,221	84,963	73,326	11,637
Total Public Works	<u>4,137,945</u>	<u>6,709,007</u>	<u>5,644,073</u>	<u>1,064,934</u>
Culture and Recreation				
Salaries and benefits	5,970,987	5,871,572	5,318,123	553,449
Services and supplies	4,618,786	4,827,149	4,714,726	112,423
Capital outlay	10,000	10,000	8,094	1,906
Other charges	73,440	80,940	84,453	(3,513)
Total Culture and Recreation	<u>10,673,213</u>	<u>10,789,661</u>	<u>10,125,396</u>	<u>664,265</u>
Economic and Community Development				
Salaries and benefits	3,209,306	3,692,865	2,946,995	745,870
Services and supplies	842,475	1,097,236	985,956	111,280
Other charges	58,416	57,504	38,202	19,302
Total Economic and Community Development	<u>4,110,197</u>	<u>4,847,605</u>	<u>3,971,153</u>	<u>876,452</u>
Total Expenditures	<u>89,924,551</u>	<u>105,084,425</u>	<u>95,794,405</u>	<u>9,290,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,641,494)</u>	<u>(6,425,193)</u>	<u>(5,976,918)</u>	<u>448,275</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property		629,195	379,095	(250,100)
Transfers in	3,257,661	3,330,225	3,330,227	2
Transfers out	(695,064)	(11,007,617)	(8,490,365)	2,517,252
Total Other Financing Sources (Uses)	<u>2,562,597</u>	<u>(7,048,197)</u>	<u>(4,781,043)</u>	<u>2,267,154</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$6,078,897)</u></u>	<u><u>(\$13,473,390)</u></u>	<u><u>(10,757,961)</u></u>	<u><u>\$2,715,429</u></u>
BEGINNING FUND BALANCE			73,668,094	
ENDING FUND BALANCE			<u><u>\$62,910,133</u></u>	

See accompanying notes to financial statements

CITY OF DALY CITY
GAS TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Gas tax	\$4,696,000	\$4,688,918	\$4,404,530	(\$284,388)
Sales tax	1,800,000	2,654,221	2,995,795	341,574
Rents and interest	40,000	70,000	1,965	(68,035)
Federal programs and grants		2,768,716	2,014,965	(753,751)
Receipts from other agencies	300,000	2,246,511	435,446	(1,811,065)
Charges and services	1,043,171	1,114,225	1,125,210	10,985
Miscellaneous	2,500	23,679	90,653	66,974
Total Revenues	7,881,671	13,566,270	11,068,564	(2,497,706)
EXPENDITURES				
Public works	3,978,008	4,429,279	3,756,419	672,860
Capital projects	7,440,145	16,454,116	6,291,602	10,162,514
Total Expenditures	11,418,153	20,883,395	10,048,021	10,835,374
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,536,482)	(7,317,125)	1,020,543	8,337,668
OTHER FINANCING SOURCES (USES)				
Transfers in	590,000	6,290,626	5,321,092	(969,534)
Transfers out	(340,217)	(840,304)	(840,304)	
Total Other Financing Sources (Uses)	249,783	5,450,322	4,480,788	(969,534)
NET CHANGE IN FUND BALANCE	(\$3,286,699)	(\$1,866,803)	5,501,331	\$7,368,134
BEGINNING FUND BALANCE			6,987,049	
ENDING FUND BALANCE			\$12,488,380	

See accompanying notes to financial statements

CITY OF DALY CITY
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Rents and interest	\$100	\$7,487	\$5,791	(\$1,696)
Federal programs and grants	284,168	1,519,901	422,222	(1,097,679)
Receipts from other agencies	525,250	1,160,378	927,537	(232,841)
Miscellaneous revenue		63,237	63,237	
Total Revenues	809,518	2,751,003	1,418,787	(1,332,216)
EXPENDITURES				
General Government				
Administrative:				
Services and supplies		5,000	5,000	
Total General Government		5,000	5,000	
Public Safety				
Salaries and benefits		159,266	156,429	2,837
Services and supplies	146,835	316,898	200,083	116,815
Capital outlay		189,152	117,891	71,261
Other charges		83,178	52,352	30,826
Total Public Safety	146,835	748,494	526,755	221,739
Public Works				
Capital Outlay		623,527	276,927	346,600
Total Public Works	278,000	623,527	276,927	346,600
Culture and Recreation				
Salaries and benefits	242,260	201,066	52,825	148,241
Services and supplies	4,000	59,949	18,406	41,543
Total Culture and Recreation	246,260	261,015	71,231	189,784
Economic and Community Development				
Salaries and benefits	27,560	62,957	59,845	3,112
Services and supplies	1,500	100,357	54,254	46,103
Other charges	255,751	1,413,604	267,202	1,146,402
Total Economic and Community Development	284,811	1,576,918	381,301	1,195,617
Total Expenditures	955,906	3,214,954	1,261,214	1,953,740
NET CHANGE IN FUND BALANCE	(\$146,388)	(\$463,951)	157,573	\$621,524
BEGINNING FUND BALANCE			538,956	
ENDING FUND BALANCE			\$696,529	

See accompanying notes to financial statements

**CITY OF DALY CITY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 1G)	\$19,798,897	\$28,779,079	\$3,049,792	\$51,627,768	\$41,581,837
Cash with fiscal agent (Note 1G)	11,324			11,324	549
Accounts receivable, net (Note 11)	4,766,933	1,417,995	14,523	6,199,451	46,732
Inventories (Note 1H)	393,125	1,551,344		1,944,469	161,036
Prepays	2,373	3,974		6,347	1,483,056
Total Current Assets	24,972,652	31,752,392	3,064,315	59,789,359	43,273,210
Noncurrent Assets:					
Advance to other funds (Note 6)		5,097,520		5,097,520	
Capital Assets (Note 4):					
Land	839,856	233,547	1,789,146	2,862,549	378,343
Buildings	272,379	893,519	6,753,006	7,918,904	35,817
Sewage facilities		59,021,605		59,021,605	
Wells and pump stations	9,074,783			9,074,783	
Water reservoirs	12,715,925			12,715,925	
Mains and subsurface lines	21,074,931	26,871,004		47,945,935	
Equipment	6,232,397	9,799,624	957,617	16,989,638	23,356,694
Furniture and fixtures	37,154	114,174		151,328	63,104
Construction in progress	632,489	8,361,079		8,993,568	331,402
Total Capital Assets	50,879,914	105,294,552	9,499,769	165,674,235	24,165,360
Less accumulated depreciation	(27,330,377)	(63,044,918)	(6,304,102)	(96,679,397)	(16,773,677)
Net Capital Assets	23,549,537	42,249,634	3,195,667	68,994,838	7,391,683
Total Noncurrent Assets	23,549,537	47,347,154	3,195,667	74,092,358	7,391,683
Total Assets	48,522,189	79,099,546	6,259,982	133,881,717	50,664,893
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 7D)	927,832	2,676,474		3,604,306	
Related to OPEB (Note 8)	198,000	547,413		745,413	395,992
Total Deferred Outflows	1,125,832	3,223,887		4,349,719	395,992
LIABILITIES					
Current Liabilities:					
Accounts payable	993,625	1,370,658	16,316	2,380,599	466,312
Accrued payroll	30,009	78,601		108,610	43,064
Deposits payable	19,000			19,000	
Interest payable	3,133	15,848		18,981	79,144
Accrued claims payable (Note 10)					2,452,655
Compensated absences (Note 1K)	271,066	562,385		833,451	
Long-term debt (Note 5)	615,000	261,709		876,709	3,755,490
Total Current Liabilities	1,931,833	2,289,201	16,316	4,237,350	6,796,665
Noncurrent Liabilities:					
Compensated absences (Note 1K)	122,199	1,416,740		1,538,939	737,073
Accrued claims payable (Note 10)					7,697,345
Net OPEB liability (Note 8)	1,515,070	4,188,722		5,703,792	3,030,139
Net Pension Liability (Note 7C)	5,900,714	17,021,520		22,922,234	
Long-term debt (Note 5)	1,265,000	825,045		2,090,045	9,537,566
Advance from other funds (Note 6)	5,097,520			5,097,520	
Total Noncurrent Liabilities	13,900,503	23,452,027		37,352,530	21,002,123
Total Liabilities	15,832,336	25,741,228	16,316	41,589,880	27,798,788
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 7D)					
Related to OPEB (Note 8)	135,677	375,107		510,784	271,353
Total Deferred Inflows	135,677	375,107		510,784	271,353
NET POSITION (Note 11)					
Net investment in capital assets	21,669,537	41,162,880	3,195,667	66,028,084	5,908,627
Restricted for:					
Debt service	11,324			11,324	549
Unrestricted	11,999,147	15,044,218	3,047,999	30,091,364	17,081,568
Total Net Position	\$33,680,008	\$56,207,098	\$6,243,666	96,130,772	\$22,990,744

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included in business-type activities

1,342,510

Net position of business-type activities

\$97,473,282

See accompanying notes to financial statements

**CITY OF DALY CITY
PROPRIETARY FUNDS**
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION**
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds	Totals	
OPERATING REVENUES					
Water sales	\$23,672,903	\$57,689		\$23,730,592	
Sewer service charges		22,793,044		22,793,044	
Connection charges		513,933		513,933	
Rental income			\$881,616	881,616	
Charges to City departments					\$24,556,255
Other revenues	263,320	226,347	153,561	643,228	667,572
Total Operating Revenues	23,936,223	23,591,013	1,035,177	48,562,413	25,223,827
OPERATING EXPENSES					
Salaries and benefits	4,096,067	12,260,146		16,356,213	6,281,675
Services and supplies	1,560,232	9,929,351	488,425	11,978,008	5,391,715
Water purchases	7,828,953			7,828,953	
Utilities	875,448	1,754,758	159,625	2,789,831	474,002
Insurance	267,835	680,412	19,346	967,593	2,094,201
Claims and settlements					2,459,361
Depreciation (Note 4)	1,184,182	2,468,562	190,693	3,843,437	900,361
Other charges	920,659	1,240,381		2,161,040	258,682
Total Operating Expenses	16,733,376	28,333,610	858,089	45,925,075	17,859,997
Operating Income (Loss)	7,202,847	(4,742,597)	177,088	2,637,338	7,363,830
NONOPERATING REVENUES (EXPENSES)					
Property taxes		2,335,681		2,335,681	
Gain on sale of capital assets		1,852		1,852	57,540
Loss on sale of capital assets					(3,191)
Interest income	35,881	(23,298)	(5,419)	7,164	(38,699)
Interest expense	(65,366)	(29,828)		(95,194)	(891,196)
Total Nonoperating Revenues (Expenses)	(29,485)	2,284,407	(5,419)	2,249,503	(875,546)
Income (Loss) Before Transfers	7,173,362	(2,458,190)	171,669	4,886,841	6,488,284
Transfers in (Note 6)	30,833	1,665,541		1,696,374	265,396
Transfers (out) (Note 6)	(2,604,001)	(1,201,987)	(172,444)	(3,978,432)	(704,245)
Net transfers	(2,573,168)	463,554	(172,444)	(2,282,058)	(438,849)
CHANGE IN NET POSITION	4,600,194	(1,994,636)	(775)	2,604,783	6,049,435
BEGINNING NET POSITION	29,079,814	58,201,734	6,244,441	93,525,989	16,941,309
ENDING NET POSITION	\$33,680,008	\$56,207,098	\$6,243,666	96,130,772	\$22,990,744
Net change in net position				2,604,783	
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.				131,390	
Change in net position of business-type activities				\$2,736,173	

See accompanying notes to financial statements

**CITY OF DALY CITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$23,557,631	\$23,566,132	\$1,249,861	\$48,373,624	\$25,442,607
Payments to suppliers	(11,620,221)	(14,405,605)	(668,785)	(26,694,611)	(8,900,549)
Payments to employees	(3,785,205)	(10,414,567)		(14,199,772)	(6,244,010)
Claims paid					(2,459,361)
 Cash Flows from Operating Activities	 8,152,205	 (1,254,040)	 581,076	 7,479,241	 7,838,687
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property tax			2,335,681		
Principal paid on noncapital debt					(3,215,000)
Interest paid on noncapital debt					(885,875)
Advance from other funds	16,766			16,766	
Advance to other funds		(16,766)		(16,766)	
Transfers in	30,833	1,665,541		1,696,374	265,396
Transfers out	(2,604,001)	(1,201,987)	(172,444)	(3,978,432)	(704,245)
 Cash Flows from (used for) Noncapital Financing Activities	 (2,556,402)	 2,782,469	 (172,444)	 53,623	 (4,539,724)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets		1,852		1,852	57,540
Acquisition of capital assets	(331,796)	(1,576,210)		(1,908,006)	(500,692)
Issuance of debt					1,483,056
Principal paid on capital debt	(600,000)	(255,326)		(855,326)	
Interest paid on capital debt	(66,366)	(33,552)		(99,918)	
 Cash Flows from (used for) Capital and Related Financing Activities	 (998,162)	 (1,863,236)		 (2,861,398)	 1,039,904
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	35,881	(23,298)	(5,419)	7,164	(38,699)
 Net Cash Flows	 4,633,522	 (358,105)	 403,213	 4,678,630	 4,300,168
Cash and investments at beginning of period	15,176,699	29,137,184	2,646,579	46,960,462	37,282,218
 Cash and investments at end of period	 \$19,810,221	 \$28,779,079	 \$3,049,792	 \$51,639,092	 \$41,582,386
 Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$7,202,847	(\$4,742,597)	\$177,088	\$2,637,338	\$7,363,830
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	1,184,182	2,468,562	190,693	3,843,437	900,361
Change in assets and liabilities:					
Accounts receivable, net	(380,046)	(24,881)	214,684	(190,243)	218,780
Inventories	1,155	(17,291)		(16,136)	(24,375)
Prepays	(2,373)	(3,974)		(6,347)	(1,483,056)
Accounts payable	(165,876)	(779,438)	(1,389)	(946,703)	(130,518)
Accrued payroll	11,453	27,649		39,102	15,526
Deposits payable	1,454			1,454	
Accrued claims payable					956,000
Compensated absences	110,616	257,754		368,370	44,428
Due to OPEB system	(10,948)	(30,821)		(41,769)	(22,289)
Due to retirement system	199,741	1,590,997		1,790,738	
 Cash Flows from Operating Activities	 \$8,152,205	 (\$1,254,040)	 \$581,076	 \$7,479,241	 \$7,838,687
 NONCASH TRANSACTIONS					
Retirement of capital assets					(\$3,191)

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE PURPOSE TRUST

The fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City.

CUSTODIAL FUNDS

These funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF DALY CITY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	External Investment Pool Fund
ASSETS			
Cash and investments (Note 1G)	\$207,517	\$1,763,828	\$974,733
Receivables	2,558	2,422,510	
Total Assets	210,075	4,186,338	974,733
LIABILITIES			
Accounts payable		3,742,046	
Due to others			
Deposits payable	4,050		
Loans payable to City (Note 14C)	13,330,550		
Total Liabilities	13,334,600	3,742,046	
NET POSITION			
Restricted for:			
Other agencies and organizations	(13,124,525)	444,292	
Pool participant			974,733
Total Net Position	(\$13,124,525)	\$444,292	\$974,733

See accompanying notes to financial statements

CITY OF DALY CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	Custodial Funds External Investment Pool Fund
ADDITIONS			
Taxes	\$1,142,502		
Charges for services			
Receipts from other agencies		\$80,100	
Rents and interest	39,900		(\$13,362)
Other receipts			
Total additions	1,182,402	80,100	(13,362)
DEDUCTIONS			
Services and supplies	14,049		
Culture and recreation		4,258	
Other payments	<u>2,316</u>		<u>128,363</u>
Total deductions	16,365	4,258	128,363
CHANGE IN NET POSITION	1,166,037	75,842	(141,725)
NET POSITION			
Net Position (Deficit) - Beginning, as Restated (Note 11D)	<u>(14,290,562)</u>	<u>368,450</u>	<u>1,116,458</u>
Net Position (Deficit) - Ending	<u>(\$13,124,525)</u>	<u>\$444,292</u>	<u>\$974,733</u>

See accompanying notes to financial statements



CITY OF DALY CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1.

DESCRIPTION OF FUNDS AND SUMMARY OF ACCOUNTING POLICIES

The City of Daly City (City) was incorporated on March 22, 1911 and operates under a council-manager form of government. Daly City is a general law city, and provides the following services: public safety (police and fire), highways and streets, water, sanitary sewer, social services, library, recreation, public improvements, planning and zoning, and general administrative services.

The Basic Financial Statements include financial information for entities which are directly or indirectly governed by the City Council. The entities included are the City, the North San Mateo County Sanitation District, and the Daly City Public Facilities Financing Corporation (see Note 2).

The accounting policies of the City conform with generally accepted accounting principles as they apply to governments. The following is a summary of the more significant policies.

A. BASIS OF PRESENTATION

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A. These standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each segment of the business-type activities of the City. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, grants and contributions that are restricted to meeting the operational needs of a particular program and fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

B. MAJOR FUNDS

Major funds are defined as funds which have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total of governmental and enterprise funds. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund type. The General Fund is always a major fund, and the City may select other funds it believes should be presented as major funds. The City selected the Gas Tax Fund for presentation as a major fund because of its importance and because it often qualifies as a major fund.

The City reported the following major governmental funds in the accompanying financial statements:

GENERAL FUND is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments which are not required to be accounted for in a separate fund.

GAS TAX SPECIAL REVENUE FUND is used to account for gas tax monies allocated by the State to the City for the streets and roads program.

GRANTS SPECIAL REVENUE FUND is used to account for miscellaneous grant monies, such as HOME, law enforcement special grants, and after school safety grants.

CAPITAL PROJECTS FUND is used to account for financial resources to be used for the acquisition or construction of major capital facilities or infrastructure other than those financed by proprietary funds.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

WATER UTILITY FUND is used to account for activity related to providing water service to the community.

SANITATION DISTRICT FUND is used to account for activity related to providing residents with sanitary sewer services.

The City also reports the following fund types:

Internal Service Funds - These funds account for motor vehicles, central services, telephone, building maintenance, information services, self-insurance and pension bond payments. All of these services are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Custodial Funds are used to account for assets held by the City for Billing Services and Supporters of Senior Center and monies held for an external investment pool for the San Mateo Pre-Hospital Emergency Medical Services Group, none of which are held in trust. In addition, The financial activities of these funds are excluded from the government-wide financial statements because they are not directly or indirectly governed by the City Council.

C. PROPERTY HELD FOR DEVELOPMENT

Property held for development is stated at the lower of historical cost or net realizable value (equal to agreed upon sales price if a disposition and development agreement has been reached with a developer).

D. BASIS OF ACCOUNTING

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

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

In addition to assets, the statement of net position or balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property taxes and sales taxes are considered measurable and available when in the hands of intermediary collecting governments and are recognized as revenue at that time. The primary revenue sources which are susceptible to accrual include taxes, rents, licenses, interest, grants and contributions. Fines and penalties and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities. *Nonexchange transactions*, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. BUDGETS, BUDGETARY ACCOUNTING AND ENCUMBRANCES

The City uses a biennial budget process whereby two individual annual budgets are adopted by City Council for all funds and component units other than the Custodial Funds. Budgets are subject to public hearing before they are adopted by the City Council. Budgets are prepared on the basis of generally accepted accounting principles (GAAP basis).

The City is not legally required to prepare budgets for any of its funds, but does so as a matter of managerial policy. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a departmental basis.

The City Manager is authorized and directed to make any changes or transfers of appropriations within any Department of the City and from one Department to another as deemed necessary or feasible, as long as the total appropriations of the funds are not exceeded. Additional appropriations not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown are as adopted and amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budgets for the City's proprietary funds are considered as memorandum budgets used for the purpose of management control. These nonappropriated budgets are not included in the Basic Financial Statements.

The City uses an encumbrance system as an extension of normal budgetary accounting. Under this system purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as an assignment of fund equity since they do not constitute expenditures or liabilities. Outstanding encumbrances at year end are automatically reappropriated the following year. Unencumbered and unexpended appropriations for other than capital outlay lapse at year-end. However, the Capital Projects Fund is not budgeted on a project-length basis. Only the budget estimated to be spent in the current fiscal year is appropriated, even if the project will continue into future fiscal years. The City prepares a ten year capital plan, and each project year budget (GAAP Basis) is appropriated separately on an on-going basis.

For the fiscal year ended June 30, 2021, the following expenditures exceeded the budgeted appropriations:

	<u>Expenditures Exceeded Budget</u>
Linda Vista Benefit Assessment Special Revenue Fund Public Works	\$4,911

Sufficient resources were available within the fund to finance these excess amounts.

F. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

G. CASH AND INVESTMENTS

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The City pools cash from all sources and all funds, except restricted cash and cash and investments with fiscal agents, so the pool of funds can be invested consistent with goals for safety and liquidity, while maximizing yield. Cash is pooled so individual funds can make expenditures at any time.

Investment income is allocated among funds on the basis of average daily cash and investment balances in each fund, unless there are specific legal or contractual requirements to do otherwise.

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements:

Cash and investments	\$204,298,877
Cash with fiscal agent	11,873
Restricted cash and investments	<u>3,746,447</u>
Cash and investments of the City	208,057,197
Cash and investments in Fiduciary Funds (separate statement):	
Private-purpose Trust Fund	207,517
Custodial Funds	1,763,828
Custodial Funds - External investment pool	<u>974,733</u>
Total cash and investments	<u><u>\$211,003,275</u></u>

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

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The following table also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee 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 Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills or Certificates of Indebtedness	5 Years	N/A	No Limit	No Limit
U.S. Government Agency Securities and U.S. Government Sponsored Enterprise Agencies	5 Years *	N/A	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	\$75,000,000 per account	\$75,000,000 per account
San Mateo County Treasurer's Pool	Upon Demand	N/A	No Limit	No Limit
State of California Treasury Notes or Bonds	5 Years	A	No Limit	5%
California Local Agency Obligations	5 Years	A	30%	5%
Bankers' Acceptances	180 Days	N/A	40%	5%
Commercial Paper	270 Days	A1/P1	25%	5%
Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
Non-Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
FDIC Insured/Collateralized Time Certificates of Deposit	5 Years	N/A	30%	5%
Money Market Mutual Funds	Upon Demand	AAAm	15%	5%
Passbook Savings Account	None	N/A	No Limit	No Limit
Repurchase Agreements	1 year	N/A	15%	5%
Reverse Repurchase Agreements	92 Days	N/A	15%	5%

* However, the City Council specifically grants the authority to the City Treasurer to invest a maximum of \$14,000,000 of the City's portfolio in Government National Mortgage Association securities which, at the time of investment, have terms remaining to maturity in excess of five years.

Public Agencies Post-Employment Trust

On May 22, 2017, the City Council adopted resolution 17-58 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 Trust. This Trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code of the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk of tolerance, under the Moderately Conservative Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute.

The following table identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum In Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills	N/A	N/A	No Limit	No Limit
U.S. Government Agency Securities				
U.S. Government Sponsored	N/A	AAA	No Limit	No Limit
State Obligations	N/A	Highest Rating Category	No Limit	No Limit
Commercial Paper	270 Days	A	No Limit	No Limit
Negotiable Certificates of Deposit	365 days	A-1+	No Limit	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit	No Limit
Bankers Acceptances	360 days	A-1+	No Limit	No Limit
Local Obligations	N/A	Highest Rating Category	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	No Limit	No Limit
Municipal Obligations	N/A	AAA	No Limit	No Limit
Repurchase Agreements	N/A	A	No Limit	No Limit

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's cash and investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's cash and investments by maturity:

Investment Type	Less than One Year	One to Five Years	More than Five Years	Total
U.S. Government Agency Securities	\$1,094,548	\$1,016,104	\$684,482	\$2,795,134
Money Market Mutual Funds	11,873			11,873
California Local Agency Investment Fund	21,268,668			21,268,668
San Mateo County Investment Pool	171,039,731			171,039,731
Negotiable Certificates of Deposit		5,011,215		5,011,215
PARS Moderately Conservative Index PLUS Fund	3,746,447			3,746,447
Total Investments	\$197,161,267	\$6,027,319	\$684,482	203,873,068
Cash in Bank and On Hand				7,130,207
Total Cash and Investments				\$211,003,275

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2021, these investments have an average maturity of 291 days.

The City is a participant in the San Mateo County Investment Pool (SMCIP) that is regulated by California Government Code Section 53600 under the oversight of the Treasurer of the County of San Mateo. The City reports its investment in SMCIP at the fair value amount provided by SMCIP. The balance available for withdrawal is based on the accounting records maintained by SMCIP, which are recorded on an amortized cost basis. Included in SMCIP's investment portfolio are U.S. Treasury Notes, obligations issued by agencies of the U.S. 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. At June 30, 2021, these investments matured in an average of 1.81 years.

Money Market Mutual Fund investments are available for withdrawal on demand.

Fair Value Investments

Generally accepted accounting principles require governments to present investments at fair value. The City adjusts the carrying value of its investment to reflect the fair value at each fiscal year-end, and it includes the effect of this adjustment in income for that fiscal year.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2021 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	AAm/AAf	Total Investments
Money Market Mutual Funds	\$550	\$11,323	\$11,873
San Mateo County Investment Pool		171,039,731	171,039,731
 Total	 \$550	 \$171,051,054	171,051,604
<i>Not rated:</i>			
U.S. Government Agency Securities			2,795,134
California Local Agency Investment Fund			21,268,668
Negotiable Certificates of Deposit			5,011,215
PARS Moderately Conservative Index PLUS Fund			3,746,447
 Total Investments	 \$203,873,068		

Custodial Credit Risk

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (for example, broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The City's investment policy requires that securities transactions be executed on a delivery vs. payment basis. Funds are not wire-transferred until securities are delivered into safekeeping with the City's third party custodian. The custodial relationship is subject to an agreement for services which may be separate from the agreement for other banking services. The safekeeping requirement does not apply to securities which are physically delivered to the City.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the City has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the City's own data. The City should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the City are not available to other market participants.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2021:

Investment Type	Level 2	Total
Investments by Fair Value Level:		
U.S. Government Agency Securities	\$2,795,134	\$2,795,134
Negotiable Certificates of Deposit	5,011,215	5,011,215
Subtotal	<u><u>\$7,806,349</u></u>	<u><u>7,806,349</u></u>
Investments Measured at Amortized Cost:		
Money Market Mutual Funds		11,873
PARS Moderately Conservative Index PLUS Fund		3,746,447
Investments Not Subject to the Fair Value Hierarchy:		
California Local Agency Investment Fund		21,268,668
San Mateo County Investment Pool		<u><u>171,039,731</u></u>
Total Investments		<u><u>\$203,873,068</u></u>

All investments classified in Level 2 were valued using prices provided by the City's custodian bank.

H. INVENTORY AND PREPAIDS

Inventory is valued at cost, using the first-in, first-out method. For the General Fund, inventories consist of consumable supplies, and do not constitute available spendable resources, even though they are a component of net current assets. For proprietary funds, inventories represent materials and supplies for operations. The consumption method of accounting is applied to inventories.

Prepays represent services that are paid for in advance. For governmental funds, prepays do not constitute available spendable resources even though they are a component of net current assets. The consumption method of accounting is applied to prepays.

I. WATER UTILITY ACCOUNTS RECEIVABLE

The City bills usage to water utility customers on a bimonthly basis in arrears. At any given time, an average of one month's usage is unread and unbilled. These unbilled estimated usages have been recognized as revenue and receivables in the financial statements of the Water Utility enterprise fund.

J. ADVANCES TO OTHER FUNDS AND AGENCIES

Current portions of interfund loans receivable (reported in "due from" asset accounts) are considered available spendable resources.

K. ACCUMULATED UNPAID VACATION, COMPENSATORY AND SICK LEAVE

Accumulated unpaid employee benefits are accrued at year-end. If vacation or compensatory leave is not taken by employees during their employment, the City is obligated to make cash payments to them on termination or retirement at the salary rates then in effect. City employees receive from thirteen to twenty-eight days of vacation each year.

Full-time City employees receive one working day of sick leave for each month of employment. Employees who terminate for reasons other than death, retirement or abolishment of position lose all accumulated sick leave. Upon death, retirement after the age of 50 and 5 years of service or abolishment of position the City is obligated to pay 50% of unused sick leave, up to from 750 to 1,392 hours, depending on the bargaining unit, at the salary rate then in effect. The value of vested sick leave liability for all employees qualified for retirement on June 30 of each year is accrued.

The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, compensated absences are reported only if they are still outstanding following an employee's resignation or retirement.

The changes in the liability for compensated absences were as follows:

	Governmental Activities	Business Type Activities	Total
Balance July 1, 2020	\$10,279,959	\$2,004,020	\$12,283,979
Additions	6,252,675	1,303,128	7,555,803
Payments	(4,301,803)	(934,758)	(5,236,561)
Balance June 30, 2021	<u>\$12,230,831</u>	<u>\$2,372,390</u>	<u>\$14,603,221</u>
Due within one year	<u>\$5,393,920</u>	<u>\$833,451</u>	<u>\$6,227,371</u>

Compensated absences are liquidated by the fund that has recorded the liability. Governmental activities compensated absences are liquidated primarily by the General Fund.

L. CLAIMS AND JUDGMENTS

The City has recognized a liability for workers' compensation and general liability claims in the Self-Insurance Internal Service Fund. This liability reflects the costs of claims determined to be probable of assertion and measurable in amount.

M. PROPERTY TAX LEVY, COLLECTION, MAXIMUM RATES

Article 13 of the California State Constitution provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value, and may be adjusted by no more than two percent per year unless the property is sold or transferred, in which case it is then assessed at sales price. Assessed value is calculated at 100% of sales price as defined by the above referenced Article 13.

The State Legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the county, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter-approved debt service. San Mateo County assesses properties, bills for, and collects property taxes on the following schedule:

	<u>SECURED</u>	<u>UNSECURED</u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue and receivables, net of estimated uncollectible amounts, in the fiscal year of levy. Property taxes which cannot be recorded as current year revenues, in accordance with the modified accrual basis of accounting, have been recorded as unearned revenues.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2.

REPORTING ENTITY

The City's Basic Financial Statements include the financial activities of the City, the North San Mateo County Sanitation District, the Daly City Public Facilities Financing Corporation and the Daly City Housing Development Finance Agency. These entities are controlled by governing boards consisting of the City Council. Council members are financially accountable for these entities' operations and approve fees, debt issues and adopt budgets.

The North San Mateo County Sanitation District became a subsidiary district of the City on July 1, 1985. The activities of the District are reported in the Sanitation District Enterprise Fund. The District does not issue separate financial statements.

The activities of the Daly City Public Facilities Financing Corporation (Corporation) are included in the basic financial statements of the Water Utility Enterprise Fund in proportion to the activities carried out on its behalf because the City Council sits as the Board of this entity. The City established the Corporation to facilitate the issuance of Certificates of Participation, currently consisting of various expansion and upgrade projects in the Water Utility. The Corporation acts as a conduit for the leasing of the associated facilities of the utility in order to allow the issuance of its Certificates of Participation (See Note 5). The Corporation does not issue separate financial statements.

The activities of the Daly City Housing Development Finance Agency (Finance Agency) are included in the Low and Moderate Income Housing Assets Special Revenue Fund. The City established the Finance Agency in 1985 pursuant to California Health and Safety Code (HSC) Division 24, Part 2, Chapter 1, to address the housing needs of the City and the Finance Agency serves as the Housing Successor to the former Daly City Redevelopment Agency. The primary activity of the Finance Agency is to develop nonsubsidized multifamily rental housing development financing pursuant to Section 34312.3 of the HSC that is owned, operated and managed by private and other agencies, not the Finance Agency. The Finance Agency is administered by a Governing Board whose members are the City Council of the City of Daly City, and the City also performs all accounting and administrative functions for the Finance Agency. The Finance Agency does not issue separate financial statements.

NOTE 3.

COMMITMENTS AND CONTINGENCIES

A. CONSTRUCTION CONTRACTS

At June 30, 2021, the City had made commitments of approximately \$6.4 million for construction work, legal and consulting fees, and purchases of supplies and equipment.

B. LITIGATION

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

C. ENCUMBRANCES

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2021 were \$375,051 in the General Fund, \$1,404,606 in the Gas Tax Special Revenue Fund, \$538,193 in the Grants Special Revenue Fund, \$1,002,587 in the Capital Projects Fund, and \$470,013 in nonmajor governmental funds.

D. FEDERAL AND STATE GRANT PROGRAMS

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

E. COVID-19 GLOBAL PANDEMIC

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales taxes and transient occupancy taxes, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

NOTE 4.

CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City's policy is to capitalize all assets with costs exceeding \$25,000 for all classes of capital assets with useful lives exceeding two years. Prior to July 2020, the City's policy was to capitalize costs exceeding \$25,000 for infrastructure and \$5,000 for all other classes of capital assets.

The City depreciates capital assets over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is calculated using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	20-50 years	Sewage Collection Facilities	10-50 years
Streets and Infrastructure	20-60 years	Sewage Disposal and Treatment Facilities	15-50 years
Park Structures and Improvements	10-30 years	Sanitation Subsurface Lines and Water Mains	25 years
Vehicles, Equipment, Furniture and Fixtures	5-20 years	Wells and Pump Stations	40-50 years
		Water Reservoirs	40-99 years

The City capitalizes major asset purchases and improvements which increase the useful life of the related assets. Minor purchases and routine repair and maintenance costs are charged directly to expense.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

A. CAPITAL ASSET ADDITIONS AND RETIREMENTS

Capital assets at June 30 comprise:

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$33,029,342		(\$5,172,856)		\$27,856,486
Construction in progress	16,720,958	\$5,931,162		(\$6,268,315)	16,383,805
Total capital assets not being depreciated	49,750,300	5,931,162	(5,172,856)	(6,268,315)	44,240,291
Capital assets being depreciated:					
Buildings & improvements	57,824,402		(97,811)	1,500,000	59,226,591
Streets & infrastructure	82,277,257	1,379,985		1,569,133	85,226,375
Park structures & improvements	8,111,835		(81,764)		8,030,071
Vehicles & equipment	26,072,587	626,293	(423,811)	3,199,182	29,474,251
Furniture & fixtures	458,590				458,590
Total capital assets being depreciated	174,744,671	2,006,278	(603,386)	6,268,315	182,415,878
Less accumulated depreciation for:					
Buildings & improvements	35,788,875	1,485,374	(97,811)		37,176,438
Streets & infrastructure	61,785,032	2,216,722			64,001,754
Park structures & improvements	4,195,308	352,645	(49,285)		4,498,668
Vehicles & equipment	20,703,482	1,178,270	(420,620)		21,461,132
Furniture & fixtures	435,326	2,829			438,155
Total accumulated depreciation	122,908,023	5,235,840	(567,716)		127,576,147
Net depreciable assets	51,836,648	(3,229,562)	(35,670)	6,268,315	54,839,731
Governmental activity capital assets, net	\$101,586,948	\$2,701,600	(\$5,208,526)		\$99,080,022

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$2,862,549				\$2,862,549
Construction in progress	9,109,560	\$1,401,010		(\$1,517,002)	8,993,568
Total capital assets not being depreciated	11,972,109	1,401,010		(1,517,002)	11,856,117
Capital assets being depreciated:					
Buildings & improvements	7,918,904				7,918,904
Sewage facilities	59,021,605				59,021,605
Mains & subsurface lines	46,428,933			1,517,002	47,945,935
Water reservoirs	12,715,925				12,715,925
Wells & pump stations	9,074,783				9,074,783
Equipment	16,482,642	506,996			16,989,638
Furniture & fixtures	151,328				151,328
Total capital assets being depreciated	151,794,120	506,996		1,517,002	153,818,118
Less accumulated depreciation for:					
Buildings & improvements	6,113,605	166,400			6,280,005
Sewage facilities	39,796,626	1,172,361			40,968,987
Mains & subsurface lines	24,531,199	1,516,441			26,047,640
Water reservoirs	5,705,850	159,294			5,865,144
Wells & pump stations	4,512,884	190,172			4,703,056
Equipment	12,081,741	631,450			12,713,191
Furniture & fixtures	94,055	7,319			101,374
Total accumulated depreciation	92,835,960	3,843,437			96,679,397
Net depreciable assets	58,958,160	(3,336,441)		1,517,002	57,138,721
Business-type activity capital assets, net	\$70,930,269	(\$1,935,431)			\$68,994,838

B. CAPITAL ASSET CONTRIBUTIONS

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

C. DEPRECIATION ALLOCATION

Depreciation expense is charged to functions and programs based on the usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
General government	\$122,063
Public safety	390,957
Public works	2,267,078
Culture and recreation	1,555,381
Capital assets held by the City's internal service funds charged to the various functions based on their usage of the assets	<u>900,361</u>
Total Governmental Activities	<u>\$5,235,840</u>
Business-Type Activities	
Water Utility	\$1,184,182
Sanitation District	2,468,562
Civic Center	<u>190,693</u>
Total Business-Type Activities	<u>\$3,843,437</u>

NOTE 5.

LONG-TERM DEBT

Changes in Long-Term Debt for the fiscal year ended June 30, 2021, are as follows:

	Original Issue Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
<i>Governmental Activities Debt</i>						
Housing & Urban Development Section 108 Loan 0.35%-2.49%, due FY 2023 (Direct Borrowing)	\$4,500,000	\$1,173,000		\$365,000	\$808,000	\$390,000
2004 Series A-1 Pension Obligation Bonds 2.650%-5.896%, due FY 2024	36,235,000	15,025,000		3,215,000	11,810,000	3,560,000
Community First National Bank Lease-Fire Pumpers 2.670%, due FY 2028	1,483,056		\$1,483,056		1,483,056	195,490
Total Governmental Activities		<u>16,198,000</u>	<u>1,483,056</u>	<u>3,580,000</u>	<u>14,101,056</u>	<u>4,145,490</u>
<i>Business-Type Activities Debt</i>						
State Water Resources Control Board Loan 2.5%, due FY 2025 (Direct Borrowing)	4,450,128	1,342,080		255,326	1,086,754	261,709
2012 Water Revenue Refunding Bond 2.0%-3.0%, due FY 2024	6,890,000	2,480,000		600,000	1,880,000	615,000
Total Business-Type Activities		<u>3,822,080</u>		<u>855,326</u>	<u>2,966,754</u>	<u>876,709</u>
Total City Long-Term Debt		<u>\$20,020,080</u>		<u>\$4,435,326</u>	<u>\$17,067,810</u>	<u>\$5,022,199</u>

During fiscal 2004, the City entered into a \$4,500,000 note payable agreement guaranteed under the Department of Housing and Urban Development's (HUD) Section 108 Loan Guarantee Program. Proceeds from the note were used to finance the design and construction of the Bayshore Community Center. Principal payments are due annually on August 1; interest payments are due semi-annually on August 1 and February 1. Debt service is payable from future Federal Block Grant monies. The City has pledged certain future grants revenue under Section 106 and Section 108(q) for which the City may become eligible and program income generated directly from the use of the loan funds to repay the note. On April 27, 2015, the City refinanced the outstanding principal balance of the loan of \$2,670,000 in order to obtain a lower interest rate. The City realized an interest savings of approximately \$384,328. As of June 30, 2021, total principal and interest remaining on the note is \$827,945. For fiscal year 2021, principal and interest paid were \$388,020 and total block grant revenues were \$994,785.

On June 1, 2004, the City, through the California Statewide Communities Development Authority, issued \$36,235,000 of Taxable Pension Obligation Bonds, Series A-1, to prepay the City's unfunded PERS accrued actuarial liability of \$35,600,000. The City's outstanding debt under the Taxable Pension Obligation Bonds is unsecured, however it is subject to mandatory sinking fund contributions each year beginning June 1, 2017 for the current year principal amount. Events of default include non-payment of interest or principal when due. The City shall have 60 days to cure any default. There have been no events of default since the Bonds were issued. Principal is due annually on June 1 and interest is due semiannually on June 1 and December 1, through June 1, 2024. Debt service is payable from available City resources. For fiscal year 2021, principal and interest paid were \$4,100,874.

On December 18, 2020, the City entered into a lease agreement in the amount of \$1,483,056 with Community First National Bank, to acquire two fire pumper. Events of default on the lease include non-payment of principal and interest when due. A penalty of 10% per year of the amount due will be added on all amount due, and, after five days written notice, the lessor has the right to take possession of the equipment. There have been no events of default since the lease was issued. Principal and interest are due annually starting on December 18, 2021, with annual payments of \$235,088 through 2027. The lease bears an interest rate of 2.670%.

On November 18, 2003, the City received a loan in the amount of \$4,450,128, plus accrued interest, from the California State Water Resources Control Board. Proceeds from the loan were used for construction of tertiary treatment facilities and distribution pipelines in the City's Sanitation District. Principal and interest are due annually on December 1 through December 1, 2024. As long as the loan is outstanding, the City has pledged the Sanitation District Enterprise Fund revenues, net of the operations and maintenance expenses, but excluding depreciation, as defined in the loan agreement. The City's outstanding debt under the California State Water Resources Control Board are secured by a pledge of net revenues as previously defined. Events of default include non-payment of interest or principal when due. The City shall have 10 days to cure any default. A penalty of one-tenth of one percent (0.1%) of the amount due will be added for each day of nonpayment. There have been no events of default since the loan was issued. As of June 30, 2021, total principal and interest remaining on the note is \$1,155,517. For fiscal year 2021, principal and interest paid were \$288,878 and total Sanitation District Enterprise net revenues were \$38,348.

On September 10, 2012, the City authorized the sale of \$6,890,000 of 2012 Water Revenue Refunding Bonds to refinance the outstanding balance of the 2004 Certificates of Participation. Principal payments are due annually on June 1 and interest is due semiannually on June 1 and December 1, commencing June 1, 2013, through June 1, 2024. The City has pledged Water Utility Enterprise Fund revenues, net of the operations and maintenance expenses but excluding depreciation, for debt service, as defined in the indenture. The City's outstanding debt under the Water Revenue Refunding Bonds is secured by a pledge of net revenues as previously defined. Events of default include non-payment of interest or principal when due, or failing to maintain a debt coverage ratio of at least 1.00. The Trustee of the Bonds shall immediately notify the City upon the occurrence and during the continuance of any default. The City has 60 days to correct any default. The Trustee may declare the Bonds to become immediately due and payable if the City is unable to cure the default. Prior to any judgment or decree for the payment of the amount due has been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay all matured principal and unpaid interest prior to the default declaration, with a 10% interest rate per annum on the outstanding amount, to cure the default. There have been no events of default since the Bonds were issued. As of June 30, 2021, total principal and interest remaining on the bonds is \$1,955,700. For fiscal year 2021, principal and interest paid were \$649,600 and total Water Utility Enterprise Fund net revenues were \$8,422,910.

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

Year ending June 30	HUD Section 108 Loan		Pension Obligation Bonds		Fire Apparatus Pumpers Lease		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$390,000	\$14,824	\$3,560,000	\$696,318	\$195,490	\$39,598	\$4,145,490	\$750,740
2023	418,000	5,121	3,925,000	486,420	200,710	34,378	4,543,710	525,919
2024			4,325,000	255,002	206,069	29,019	4,531,069	284,021
2025					211,571	23,517	211,571	23,517
2026					217,220	17,868	217,220	17,868
2027 - 2028					451,996	18,181	451,996	18,181
	<u>\$808,000</u>	<u>\$19,945</u>	<u>\$11,810,000</u>	<u>\$1,437,740</u>	<u>\$1,483,056</u>	<u>\$162,561</u>	<u>\$14,101,056</u>	<u>\$1,620,246</u>

Year ending June 30	SWRCB Loan		Water Revenue Refunding Bond		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$261,709	\$27,169	\$615,000	\$37,600	\$876,709	\$64,769
2023	268,253	20,626	625,000	25,300	893,253	45,926
2024	274,959	13,920	640,000	12,800	914,959	26,720
2025	281,833	7,048			281,833	7,048
	<u>\$1,086,754</u>	<u>\$68,763</u>	<u>\$1,880,000</u>	<u>\$75,700</u>	<u>\$2,966,754</u>	<u>\$144,463</u>

The City is subject to a debt limit that is 3.75% of the total assessed value of property, net of exempt real property. At June 30, 2021 that amount was \$518,615,948. As of June 30, 2021, the City did not have any outstanding debt applicable to the limit.

CONDUIT DEBT

The Finance Agency has assisted private-sector entities by sponsoring their issuance of debt for purposes the City deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The City and Finance Agency are not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance City or Finance Agency funds to repay these debts in the event of default by any of these issuers. At June 30, 2021, the balance of this issuers' outstanding debt was as follows:

Franciscan Mobile Home Park Acquisition Project:	
Senior Revenue Refunding Bonds, Series 2007A	\$39,030,000
Subordinate Revenue Refunding Bonds, Series 2007B	4,525,000
Third Tier Revenue Refunding Bonds, Series 2007C	7,200,000

NOTE 6.

CURRENT INTERFUND BALANCES

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The purpose of these interfunds was to cover deficit cash in receiving funds. At June 30, 2021, Community Block Grant Special Revenue Fund owed the General Fund \$241,028.

INTERFUND ADVANCE

On November 13, 2018, the City Council authorized an appropriation of \$5,000,000 to maintain water utility operating fund or capital fund reserve balances in compliance with City policy or to fund water utility capital improvement or maintenance projects included in the City's then current Capital Improvement Plan. Funding for this project was provided by an advance from the Sanitation District Enterprise Fund to the Water Utility Enterprise Fund. The loan and all accrued interest is repayable on or before June 30, 2023, beginning on July 1, 2021, and the loan bears interest at the end of each fiscal year at the quarterly LAIF rate. At June 30, 2021, the balance of the advance was \$5,097,520, including accrued interest.

INTERFUND TRANSFERS

Transfers between funds during the fiscal year ended June 30, 2021 were as follows:

Fund Making Transfer	Fund Receiving Transfer	Transfer Amount
General Fund	Gas Tax Special Revenue Fund	\$3,706,121
	Capital Projects Fund	4,343,287
	Non Major Governmental Funds	228,500
	Internal Service Fund - Motor Vehicles	158,711
	Internal Service Fund - Central Services	42,104
	Internal Service Fund - Information Systems	11,642
Gas Tax Special Revenue Fund	General Fund	350,424
	Capital Projects Fund	489,880
Capital Projects Fund	Gas Tax Special Revenue Fund	1,614,971
	Internal Service Fund - Information Systems	46,439
Water Utility Enterprise Fund	General Fund	938,460
	Sanitation District Enterprise Fund	1,665,541
Sanitation District Enterprise Fund	General Fund	1,195,487
Non Major Enterprise Fund	Internal Service Fund - Information Services	6,500
	General Fund	172,444
Internal Service Fund - Motor Vehicles	General Fund	78,168
Internal Service Fund - Central Services	General Fund	11,197
Internal Service Fund - PBX	General Fund	12,779
Internal Service Fund - Building Maintenance	General Fund	129,605
Internal Service Fund - Information Services	General Fund	220,617
	Water Utility Enterprise Fund	30,833
Internal Service Fund - Self-Insurance	General Fund	221,046
		<u>\$15,674,756</u>

The purpose of the majority of transfers is to provide general support to another fund. General Fund transfers out typically represent an operating subsidy or in the case of grants, a match of another fund's expenditures.

INTERNAL BALANCES

Internal balances are presented in the governmental-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 7.
RETIREMENT PLAN

A. GENERAL INFORMATION ABOUT THE PENSION PLANS

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the 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 statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-60	52-67
Monthly benefits, as a % of eligible compensation	2.0%-3.0%	1.0%-2.5%
Required employee contribution rates	8.00%	6.50%
Required employer contribution rates	13.154% *	13.154% *
Required Unfunded Accrued Liability Contribution	\$5,761,949	

*Effective February 15, 2014, members in the Teamsters Local 856 Public Safety Dispatchers and Police Assistants were required to pay an additional 5.41% for their share of pension costs and members in the Teamsters Local 856 Clerical/Technical unit pay an additional 5.51% for their share of pension costs.

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.4%-3.0%	2.0%-2.7%
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	18.282% *	18.282% *
Required Unfunded Accrued Liability Contribution	\$6,677,252	

*Effective July 11, 2020, members in the Daly City Police Officers Association and Daly City Police Management Bargaining Unit were required to pay an additional 3.0% for their share of pension costs.

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis, or the City can elect to make a lump-sum payment at the beginning of the fiscal year. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans for the year ended June 30, 2021 were \$5,761,949 and \$6,677,252, respectively, which were made under the lump-sum payment option.

Employees Covered – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2019 and measurement date of June 30, 2020:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	517	326
Inactive employees entitled to but not yet receiving benefits	394	100
Active employees	<u>280</u>	<u>156</u>
Total	<u><u>1,191</u></u>	<u><u>582</u></u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s Contributions to the Plans for the year ended June 30, 2021 were \$8,901,914 for the Miscellaneous Plan and \$10,620,215 for the Safety Plan.

B. NET PENSION LIABILITY

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
	The lesser of contract COLA or 2.50% until Purchasing Protection Allowance floor on purchasing power applies,
Post Retirement Benefit Increase	2.50% thereafter

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website at www.calpers.ca.gov.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rates of return by asset class.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) In the CalPERS Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

C. CHANGES IN THE NET PENSION LIABILITY

The changes in the Net Pension Liability for each Plan follow:

Miscellaneous Plan:

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (Measurement Date)	\$332,540,524	\$261,721,857	\$70,818,667
Changes in the year:			
Service cost	4,734,206		4,734,206
Interest on the total pension liability	23,372,961		23,372,961
Differences between actual and expected experience	432,569		432,569
Plan to Plan Resource Movement			
Contributions - employer		8,214,918	(8,214,918)
Contributions - employees		2,252,506	(2,252,506)
Net investment income		12,936,801	(12,936,801)
Benefit payments, including refunds of employee contributions	(16,891,285)	(16,891,285)	
Other Miscellaneous Expense			
Administrative Expense		(368,964)	368,964
Net changes	11,648,451	6,143,976	5,504,475
Balance at June 30, 2020 (Measurement Date)	\$344,188,975	\$267,865,833	\$76,323,142

Safety Plan:

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (Measurement Date)	\$349,529,705	\$247,704,819	\$101,824,886
Changes in the year:			
Service cost	5,837,397		5,837,397
Interest on the total pension liability	24,739,728		24,739,728
Changes in assumptions			
Differences between actual and expected experience	3,245,246		3,245,246
Plan to Plan Resource Movement			
Contributions - employer		9,741,720	(9,741,720)
Contributions - employees		2,186,070	(2,186,070)
Net investment income		12,209,629	(12,209,629)
Benefit payments, including refunds of employee contributions	(19,366,927)	(19,366,927)	
Other Miscellaneous Expense			
Administrative Expense		(349,203)	349,203
Net changes	14,455,444	4,421,289	10,034,155
Balance at June 30, 2020 (Measurement Date)	\$363,985,149	\$252,126,108	\$111,859,041
TOTAL - BOTH PLANS	\$708,174,124	\$519,991,941	\$188,182,183

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

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$120,576,370	\$157,624,486	\$278,200,856
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$76,323,142	\$111,859,041	\$188,182,183
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$39,647,885	\$73,834,911	\$113,482,796

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

D. PENSION EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense. For the year ended June 30, 2021 the City recognized pension expense of \$11,293,779 for the Miscellaneous Plan and \$40,758,954 for the Safety Plan, for total pension expense of \$40,758,954. At June 30, 2021, 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 subsequent to measurement date	\$8,901,914	-
Differences between actual and expected experience	898,745	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	2,200,439	-
Total	\$12,001,098	-

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$10,620,215	
Differences between actual and expected experience	4,871,723	(\$31,551)
Changes in assumptions	-	(20,416)
Net differences between projected and actual earnings on plan investments	2,041,886	
Total	\$17,533,824	(\$51,967)
Total Miscellaneous and Safety Plans	\$29,534,922	(\$51,967)

The amount of \$19,522,129 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization		
	Miscellaneous Plan	Safety Plan	Total
2022	(\$153,419)	\$2,371,103	\$2,217,684
2023	784,695	1,960,863	2,745,558
2024	1,365,704	1,491,171	2,856,875
2025	1,102,204	1,038,505	2,140,709

E. SUBSEQUENT EVENT - REDUCTION OF CALPERS DISCOUNT RATE

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

NOTE 8.
POST EMPLOYMENT BENEFITS OTHER THAN PENSION

The City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEHMCA). Required retiree medical plan contributions are also governed by PEHMCA for member agencies. The City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

The City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEHMCA. Benefits continue for surviving spouses in amounts as required by PEHMCA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$120 to \$125 per month in lieu of contributions to the CalPERS plan.

As of the June 30, 2020 measurement date, approximately 491 retirees were eligible and were receiving retiree health care benefits from the City and approximately 100 inactive employees entitled to but not yet receiving benefit payments. There were approximately 415 active full time employees that should they meet requirements will be eligible to receive health care benefits upon retirement.

For the year ended June 30, 2021, the City contributed \$5,482,594 to the Plan, which was comprised of benefit premiums of \$2,616,594, prefunding contributions of \$2,000,000 and implied subsidy benefit payments of \$866,000.

A. FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined as part of a June 30, 2019 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included 2.75% inflation rate, 6.25% investment rate of return, 3% projected annual salary increase, and a medical trend of 7.25% (Non-Medicare) and 6.3% (Medicare) in 2021 decreasing to an ultimate rate of 4.0% in 2076. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period for an initial June 30, 2008 Unfunded Accrued Actuarial Liability (UAAL), a 20 year closed amortization period for method assumptions and plan changes and 15 years for gains and losses, with a maximum of a 30 year combined closed period.

B. NET OPEB LIABILITY

Actuarial Methods and Assumptions – The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, rolled forward to June 30, 2020 based on the actuarial methods and assumptions shown above.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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 Real Rate of Return
Global Equity	40%	4.82%
Fixed Income	43%	1.47%
TIPS	5%	1.29%
Commodities	4%	0.84%
REITs	8%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return		6.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.25%. 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 OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. CHANGES IN NET OPEB LIABILITY

The changes in the net OPEB liability follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2020	\$56,278,776	\$12,167,150		\$44,111,626
Changes Recognized for the Measurement Period:				
Service Cost	1,455,663	-		1,455,663
Interest on the total OPEB liability	3,500,744	-		3,500,744
Changes in benefit terms	-	-		-
Differences between expected and actual experience	-	-		-
Changes of assumptions	(865,013)	-		(865,013)
Contributions from the employer	-	5,445,074		(5,445,074)
Net investment income	-	653,960		(653,960)
Administrative expenses	-	(6,040)		6,040
Benefit payments	(3,445,074)	(3,445,074)		-
Net changes	646,320	2,647,920		(2,001,600)
Balance at June 30, 2021 (June 30, 2020 Measurement Date)	<u><u>\$56,925,096</u></u>	<u><u>\$14,815,070</u></u>		<u><u>\$42,110,026</u></u>

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Plan financial report that may be obtained from the CERBT. The benefit payments above include implied subsidy benefit payments in the amount of \$831,000.

D. SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE AND HEALTHCARE COST TREND RATES

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.25%)	(6.25%)	(7.25%)
<u><u>\$48,871,858</u></u>	<u><u>\$42,110,026</u></u>	<u><u>\$36,471,252</u></u>

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Current		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
<u><u>\$35,554,890</u></u>	<u><u>\$42,110,026</u></u>	<u><u>\$50,096,380</u></u>

E. OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLows OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$3,129,109. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$5,482,594	-
Difference between expected and actual experience	-	(\$2,888,912)
Changes in assumptions	-	(882,110)
Net differences between projected and actual earnings on plan investments	20,656	-
Total	\$5,503,250	(\$3,771,022)

\$5,482,594 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2022	(\$1,071,828)
2023	(1,056,864)
2024	(1,058,193)
2025	(499,408)
2026	(64,073)

NOTE 9.
DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Internal Revenue Service.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

NOTE 10.

SELF-INSURANCE

The Self-Insurance Internal Service Fund was established in 1979 to provide for payment of costs associated with the City's risk management programs. Fund revenues consist of interest earnings, reimbursements of claims paid by the Fund and charges to other funds. The latter is intended to match the charges for insurance premiums for coverage in excess of self-insured amounts, estimated payments resulting from self-insurance programs, operating expenses and the provision of reserves for pending and possible future claims.

The City has a self-insured retention for the first \$150,000 of general and automobile liability claims and maintains a \$25,000 deductible for property losses. Losses in excess of the retention up to \$25,000,000 on general and automobile liability are covered by purchased excess insurance. The City purchases combined property, boiler and machinery and automobile comprehensive insurance covering all but the deductible on the full value of City property. Settlements have never exceeded insurance coverage. The City expenses the incurred liabilities for claims in cases where such amounts are reasonably determinable and where the likelihood of liability exists. Included are estimates for incurred but not reported claims, which are calculated based on claims experience.

The City is a member of Public Risk Innovation, Solutions, and Management (PRISM), a joint powers authority (JPA) which provides excess workers' compensation liability claims coverage above the City's self-insured retention of \$350,000 per occurrence. Losses above the self-insured retention are pooled with excess reinsurance purchased to provide coverage to statutory limits. During the fiscal year ended June 30, 2021, the City contributed \$550,154 to PRISM for current year coverage. Audited financial statements for PRISM are available from PRISM at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The City's present value liability for uninsured claims including a provision for claims incurred but not reported using a discount rate of 2% was computed as follows based on claims experience for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Beginning balance of claims payable	\$9,194,000	\$9,355,000
Increase in estimated claims liability	3,415,361	1,893,560
Claims paid	<u>(2,459,361)</u>	<u>(2,054,560)</u>
Ending balance of claims payable	<u>\$10,150,000</u>	<u>\$9,194,000</u>
Current Portion	<u>\$2,452,655</u>	<u>\$2,222,765</u>

The undiscounted claims totaled \$11,210,898 at June 30, 2021.

NOTE 11.

NET POSITION AND FUND BALANCE

A. NET POSITION

Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position and are described below:

Net Investment in Capital Assets, describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and amounts required to be set aside for low and moderate income housing.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. GOVERNMENTAL FUND BALANCES

The City's fund balances are classified in accordance with generally accepted accounting principles, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources.

For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council by resolution which may be altered only by formal action in the same manner. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council by resolution or its designee (City Manager) and may be changed at the discretion of the City Council by resolution. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City's Fund Balances, as of June 30, 2021, are below:

Fund Balance Classifications	General Fund	Gas Tax	Grants	Capital Projects	Other Governmental Funds	Total
Nonspendables:						
Items not in spendable form:						
Inventories	\$18,640	\$25,184				\$43,824
Petty cash	7,590					7,590
Prepays	518,707					518,707
Loan Receivable from Successor Agency	13,330,550					13,330,550
Total Nonspendable	13,875,487	25,184				13,900,671
Restricted for:						
Pension benefits	3,746,447					3,746,447
Gas Tax Projects		12,463,196				12,463,196
Capital Projects				\$11,936,252		11,936,252
Low and Moderate Income						
Housing Assets					\$8,968,790	8,968,790
Linda Vista Benefit Assessment					545,715	545,715
Traffic Safety					78,816	78,816
Grants			\$696,529			696,529
Total Restricted	3,746,447	12,463,196	696,529	11,936,252	9,593,321	38,435,745
Assigned to:						
Capital Projects				16,491,889		16,491,889
Other Contracts	375,051					375,051
Total Assigned	375,051			16,491,889		16,866,940
Unassigned:						
Contingency Fund	1,000,000					1,000,000
Operating Reserve	18,000,000					18,000,000
Unassigned	25,913,148				(114)	25,913,034
Total Unassigned	44,913,148				(114)	44,913,034
Total Fund Balances	\$62,910,133	\$12,488,380	\$696,529	\$28,428,141	\$9,593,207	\$114,116,390

C. MINIMUM FUND BALANCE POLICY

The City Council adopted a General Fund Reserve Policy in July 2020 to establish target reserve levels and the methodology for calculating reserve levels. The Policy also establishes criteria for the use of reserves and a process to replenish reserves.

The Policy requires the City to strive to maintain the following fund balances:

1) Contingency Fund

The City shall maintain a minimum Contingency Fund reserve equal to \$1,000,000 within its General Fund to provide a financial cushion to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods or to provide funds in the event of major unplanned expenditures the City could face as a result of natural or man-made disasters such as earthquakes, windstorms, landslides, floods, wildfires, natural gas leaks, or terrorist attacks.

The balance of the Contingency Fund Reserve was \$1,000,000 at June 30, 2021 and is reported as a component of General Fund unassigned fund balance.

2) General Fund Operating Reserve

The City shall maintain a minimum General Fund operating reserve equal to two months (17%), and a targeted reserve equal to three months (25%), of General Fund annual operating expenditures plus recurring (i.e., not one-time) transfers to other funds for that fiscal year. These reserves will be used to provide adequate cash flow and budget contingencies.

The balance of the Operating Reserve was \$18 million at June 30, 2021 and is reported as a component of General Fund unassigned fund balance.

If reserves are projected to fall below, or unexpectedly fall below, the minimum levels as set by this policy, the City shall include within its annual budget a plan to restore reserves to the minimum levels within two years based on its long-range financial forecast. Such a plan may include, but not be limited to, revenue enhancements, service delivery changes, expenditure controls/cost shifts, and/or service level reductions. At no time shall reserves be planned to fall below zero for any operating or capital fund.

D. RESTATEMENT OF NET POSITION

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities* during the year ended June 30, 2021. As a result, the City determined that the activities of the San Mateo Pre-Hospital Emergency Services Group (SMPHESG) previously reported in an Agency Fund would instead be reported in an External Investment Pool Custodial Fund and therefore beginning net position of the fund was restated in the amount of \$1,116,458. In addition, the Billing Services Fund and Supporters of Senior Center Fund previously reported as Agency Funds are now reported as Custodial Funds and beginning net position of the Supporters of Senior Center Fund was restated in the amount of \$368,450.

NOTE 12.
LOANS AND NOTES RECEIVABLE

The City administers a housing rehabilitation program using Housing and Community Development Block Grant (CDBG) and Cal Home funds that is accounted for in the Community Block Grant Special Revenue Fund and Grants Special Revenue Fund. Under this program, individuals with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust or mobile home liens, for construction work on their homes. Although these loans and notes are expected to be repaid, their balance has been offset by unavailable revenue as they are not expected to be repaid during the next fiscal year.

During fiscal year 2021, the City made loans to 3 participants under this program and the CDBG and Cal HOME loan program activity is as follows:

Beginning Balance	\$1,527,359
New loans	114,125
Loan repayments	(207,314)
Loans forgiven	<u>(15,764)</u>
Ending Balance	<u>\$1,418,406</u>

NOTE 13.
FUND DEFICITS

The Community Block Grant Special Revenue Fund and the PERS Contributions Internal Service Fund had deficits amounting to \$114 and \$2,654,183, respectively, at June 30, 2021. The deficits will be eliminated with future revenues and available funding or other resources.

NOTE 14.
ACTIVITIES OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Information presented in the following footnotes represents assets and liabilities of the Successor Agency.

A. CASH

Cash and investments of the Successor Agency as of June 30, 2021 are discussed in Note 1H above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2021.

B. LONG RANGE PROPERTY MANAGEMENT PLAN APPROVAL

On December 14, 2015 the Successor Agency received confirmation from the DOF that the DOF had reviewed and approved the Successor Agency's Long Range Property Management Plan (LRPMP).

C. LOANS BETWEEN THE CITY AND THE SUCCESSOR AGENCY

Due to the dissolution of the Redevelopment Agency, loans payable, totaling \$23,842,357, from the Redevelopment Agency to the General Fund were written off as of June 30, 2012. In May 2016 the State Department of Finance (DOF) confirmed and approved repayment of the loan payment from the former Redevelopment Agency to the City General Fund totaling \$13,775,503, payable at the statutory interest rate of 3% of the outstanding amount. In October 2016, the City received confirmation and approval of an additional repayment of the loan from the former Redevelopment Agency to the City General Fund totaling \$4,579,613. These loans are recorded as a loan receivable in the City's General Fund and is classified as nonspendable fund balance as it cannot be appropriated against until funds are received from the State. The balance of the loans as of June 30, 2021 is \$13,330,550.



REQUIRED SUPPLEMENTARY INFORMATION

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS AND OPEB PLANS:

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered payroll), and a ratio of the net pension liability divided by covered-employee payroll.

SCHEDULE OF CONTRIBUTIONS – PENSION PLANS

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

This schedule reports the beginning and ending balances of the total OPEB liability, the plan assets available for OPEB benefits (called plan net position), and the net OPEB liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total OPEB liability, plan net position, net OPEB liability, a ratio of plan net position divided by the total OPEB liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net OPEB liability divided by covered-employee payroll.

SCHEDULE OF CONTRIBUTIONS – OPEB PLAN

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions (ADC) or contractually required contributions if the ADC has not been calculated, and a ratio of the actual contributions divided by covered-employee payroll.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Period	MISCELLANEOUS						
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Pension Liability							
Service Cost	\$4,928,638	\$4,355,451	\$4,356,641	\$4,961,492	\$4,820,144	\$4,846,377	\$4,734,206
Interest	19,456,167	20,028,375	20,453,457	21,126,222	21,405,533	22,557,657	23,372,961
Differences between expected and actual experience							
Changes in assumptions							
Changes in benefits							
Benefit payments, including refunds of employee contributions	(11,304,889)	(12,134,586)	(12,862,999)	(13,610,749)	(14,549,197)	(15,864,061)	(16,891,285)
Net change in total pension liability	13,079,916	2,264,041	5,618,086	28,707,507	3,645,862	16,621,431	11,648,451
Total pension liability - beginning	262,603,681	275,683,597	277,947,638	283,565,724	312,273,231	315,919,093	332,540,524
Total pension liability - ending (a)	\$275,683,597	\$277,947,638	\$283,565,724	\$312,273,231	\$315,919,093	\$332,540,524	\$344,188,975
Plan fiduciary net position							
Contributions - employer	\$3,860,928	\$3,732,343	\$4,446,777	\$5,539,675	\$6,152,860	\$7,068,468	\$8,214,918
Contributions - employee	2,090,754	1,959,273	2,019,542	2,110,207	2,068,466	2,144,408	2,252,506
Net investment income	34,374,839	5,074,277	1,142,662	24,378,978	19,945,939	16,443,055	12,936,801
Benefit payments, including refunds of employee contributions	(11,304,889)	(12,134,586)	(12,862,999)	(13,610,749)	(14,549,197)	(15,864,061)	(16,891,285)
Other miscellaneous income (expense)						585	
Administrative Expense		(255,289)	(138,235)	(326,924)	(373,237)	(179,872)	(368,964)
Plan to Plan Resource Movement		(493)			(585)	54,276	
Net change in plan fiduciary net position	29,021,632	(1,624,475)	(5,392,253)	18,091,187	12,535,462	9,666,859	6,143,976
Plan fiduciary net position - beginning	199,423,445	228,445,077	226,820,602	221,428,349	239,519,536	252,054,998	261,721,857
Plan fiduciary net position - ending (b)	\$228,445,077	\$226,820,602	\$221,428,349	\$239,519,536	\$252,054,998	\$261,721,857	\$267,865,833
Net pension liability - ending (a)-(b)	\$47,238,520	\$51,127,036	\$62,137,375	\$72,753,695	\$63,864,095	\$70,818,667	\$76,323,142
Plan fiduciary net position as a percentage of the total pension liability	82.86%	81.61%	78.09%	76.70%	79.78%	78.70%	77.83%
Covered payroll	\$24,443,972	\$22,658,681	\$22,823,982	\$23,568,915	\$22,688,822	\$24,144,928	\$24,817,517
Net pension liability as percentage of covered payroll	193.25%	225.64%	272.25%	308.68%	281.48%	293.31%	307.54%

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

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2016, 2018, 2019, and 2020, there were no changes. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Period	SAFETY						
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Pension Liability							
Service Cost	\$5,018,136	\$4,776,984	\$4,859,775	\$5,566,167	\$5,314,299	\$5,562,199	\$5,837,397
Interest	19,532,405	20,368,130	21,118,384	21,794,377	22,455,535	23,732,977	24,739,728
Differences between expected and actual experience	(455,068)	(1,021,524)		293,934	(978,042)	7,441,738	3,245,246
Changes in assumptions		(4,770,631)		17,425,044	(632,875)		
Changes in benefits							
Benefit payments, including refunds of employee contributions	(12,996,278)	(13,776,270)	(14,939,167)	(15,643,224)	(17,110,200)	(17,828,231)	(19,366,927)
Net change in total pension liability	11,554,263	6,143,145	10,017,468	29,436,298	9,048,717	18,908,683	14,455,444
Total pension liability - beginning	264,421,131	275,975,394	282,118,539	292,136,007	321,572,305	330,621,022	349,529,705
Total pension liability - ending (a)	\$275,975,394	\$282,118,539	\$292,136,007	\$321,572,305	\$330,621,022	\$349,529,705	\$363,985,149
Plan fiduciary net position							
Contributions - employer	\$4,225,009	\$4,630,110	\$5,309,673	\$6,087,507	\$6,986,096	\$8,259,177	\$9,741,720
Contributions - employee	2,632,654	1,864,455	1,917,899	1,935,079	2,062,297	2,040,072	2,186,070
Net investment income	33,622,839	4,997,920	1,208,758	23,497,877	18,994,354	15,591,708	12,209,629
Benefit payments, including refunds of employee contributions	(12,996,278)	(13,776,270)	(14,939,167)	(15,643,224)	(17,110,200)	(17,828,231)	(19,366,927)
Administrative Expense		(249,064)	(134,719)	(316,566)	(358,363)	(171,174)	(349,203)
Other Miscellaneous Expense					(680,537)	556	
Plan to Plan Resource Management		493		341	(556)	(54,276)	
Net change in plan fiduciary net position	27,484,224	(2,532,356)	(6,637,556)	15,561,014	9,893,091	7,837,832	4,421,289
Plan fiduciary net position - beginning	196,098,570	223,582,794	221,050,438	214,412,882	229,973,896	239,866,987	247,704,819
Plan fiduciary net position - ending (b)	\$223,582,794	\$221,050,438	\$214,412,882	\$229,973,896	\$239,866,987	\$247,704,819	\$252,126,108
Net pension liability - ending (a)-(b)	\$52,392,600	\$61,068,101	\$77,723,125	\$91,598,409	\$90,754,035	\$101,824,886	\$111,859,041
Plan fiduciary net position as a percentage of the total pension liability	81.02%	78.35%	73.39%	71.52%	72.55%	70.87%	69.27%
Covered payroll	\$19,652,763	\$19,567,377	\$19,784,134	\$19,829,558	\$20,477,192	\$21,410,816	\$22,001,988
Net pension liability as percentage of covered payroll	266.59%	312.09%	392.86%	461.93%	443.20%	475.58%	508.40%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred June 30. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2016, 2018, 2019 and 2020 there were no changes. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

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

Source: CalPERS Accounting Valuation

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	MISCELLANEOUS						
	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$4,637,116	\$6,771,305	\$5,540,220	\$6,146,305	\$7,064,967	\$8,236,678	\$8,901,914
Contributions in relation to the actuarially determined contributions	(4,637,116)	(6,771,305)	(5,540,220)	(6,146,305)	(7,064,967)	(8,236,678)	(8,901,914)
Contribution deficiency (excess)							
Covered payroll	\$22,658,681	\$22,823,982	\$23,568,915	\$22,688,822	\$24,144,928	\$24,817,517	\$24,973,064
Contributions as a percentage of covered payroll	20.47%	29.67%	23.51%	27.09%	29.26%	33.19%	35.65%
Notes to Schedule							
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	SAFETY						
	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$4,225,009	\$5,309,673	\$6,090,350	\$6,985,429	\$8,263,084	\$9,742,714	\$10,620,215
Contributions in relation to the actuarially determined contributions	(4,225,009)	(5,309,673)	(6,090,350)	(6,985,429)	(8,263,084)	(9,742,714)	(10,620,215)
Contribution deficiency (excess)							
Covered payroll	\$19,567,377	\$19,784,134	\$19,829,558	\$20,477,192	\$21,410,816	\$22,001,988	\$23,722,063
Contributions as a percentage of covered payroll	21.59%	26.84%	30.71%	34.11%	38.59%	44.28%	44.77%
Notes to Schedule							
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

City of Daly City, Agent Multiple-Employer Defined Benefit OPEB Plan

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Measurement Date Ended June 30	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability				
Service Cost	\$1,470,697	\$1,514,818	\$1,560,263	\$1,455,663
Interest	3,449,729	3,567,790	3,690,181	3,500,744
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(4,588,272)	-
Changes of assumptions	-	-	(281,571)	(865,013)
Benefit payments	<u>(2,980,461)</u>	<u>(3,170,657)</u>	<u>(3,168,930)</u>	<u>(3,445,074)</u>
Net change in total OPEB liability	<u>1,939,965</u>	<u>1,911,951</u>	<u>(2,788,329)</u>	<u>646,320</u>
Total OPEB liability - beginning	<u>55,215,189</u>	<u>57,155,154</u>	<u>59,067,105</u>	<u>56,278,776</u>
Total OPEB liability - ending (a)	<u><u>\$57,155,154</u></u>	<u><u>\$59,067,105</u></u>	<u><u>\$56,278,776</u></u>	<u><u>\$56,925,096</u></u>
 Plan fiduciary net position				
Contributions - employer	\$5,980,461	\$4,170,657	\$3,168,930	\$5,445,074
Contributions - employee	-	-	-	-
Net investment income	557,870	604,302	799,047	653,960
Administrative expense	(4,247)	(18,096)	(2,447)	(6,040)
Benefit payments	<u>(2,980,461)</u>	<u>(3,170,657)</u>	<u>(3,168,930)</u>	<u>(3,445,074)</u>
Net change in plan fiduciary net position	<u>3,553,623</u>	<u>1,586,206</u>	<u>796,600</u>	<u>2,647,920</u>
Plan fiduciary net position - beginning	<u>6,230,721</u>	<u>9,784,344</u>	<u>11,370,550</u>	<u>12,167,150</u>
Plan fiduciary net position - ending (b)	<u><u>\$9,784,344</u></u>	<u><u>\$11,370,550</u></u>	<u><u>\$12,167,150</u></u>	<u><u>\$14,815,070</u></u>
 Net OPEB liability - ending (a)-(b)	<u><u>\$47,370,810</u></u>	<u><u>\$47,696,555</u></u>	<u><u>\$44,111,626</u></u>	<u><u>\$42,110,026</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.12%	19.25%	21.62%	26.03%
Covered-employee payroll	\$50,082,473	\$49,471,054	\$50,975,693	\$49,471,054
Net OPEB liability as a percentage of covered-employee payroll	94.59%	96.41%	86.53%	85.12%

City of Daly City, Agent Multiple-Employer Defined Benefit OPEB Plan

As of fiscal year ending June 30, 2021

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30,	2021	2020	2019	2018
Actuarially determined contributions	\$4,873,000	\$5,264,000	\$5,109,000	
Contractually required contributions (a)				\$4,185,306
Contributions in relation to the contractually required or actuarially determined contributions	(5,482,594)	(5,445,074)	(3,168,930)	(4,185,306)
Contribution deficiency (excess)	(\$609,594)	(\$181,074)	\$1,940,070	\$0
Covered-employee payroll	<u>\$54,458,885</u>	<u>\$51,740,099</u>	<u>\$50,975,693</u>	<u>\$49,471,054</u>
Contributions as a percentage of covered-employee payroll	10.07%	10.52%	6.22%	9.70%

* Fiscal year 2018 was the first year of implementation.

(a) The City did not obtain an actuarially determined contribution calculation in fiscal year 2018, therefore the contractually required contributions were reported.

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments which are not required to be accounted for in a separate fund. It comprises of the following activities: General, Special Deposits, and Traffic Enforcement.

**CITY OF DALY CITY
GENERAL FUND
COMBINING FUND BALANCE SHEET
JUNE 30, 2021**

	General	Special Deposits	Traffic Enforcement	Total General Fund
ASSETS				
Cash and investments	\$51,321,562	\$12,132,979	\$556,701	\$64,011,242
Restricted cash and investments	3,746,447			3,746,447
Accounts receivable, net	9,479,901	66,367	49,892	9,596,160
Due from other funds	241,028			241,028
Prepays	518,707			518,707
Inventories	18,640			18,640
Loan receivable from Successor Agency	13,330,550			13,330,550
Total Assets	\$78,656,835	\$12,199,346	\$606,593	\$91,462,774
LIABILITIES				
Accounts payable	\$2,982,735	\$3,987,679		\$6,970,414
Accrued payroll	1,166,165			1,166,165
Deposits payable		7,788,390		7,788,390
Unearned revenue	12,627,672			12,627,672
Total Liabilities	16,776,572	11,776,069		28,552,641
FUND BALANCES				
Fund Balance				
Nonspendable	13,875,487			13,875,487
Restricted	3,746,447			3,746,447
Assigned	375,051			375,051
Unassigned	43,883,278	423,277	606,593	44,913,148
Total Fund Balances	61,880,263	423,277	606,593	62,910,133
Total Liabilities, and Fund Balances	\$78,656,835	\$12,199,346	\$606,593	\$91,462,774

**CITY OF DALY CITY
GENERAL FUND**
**COMBINING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	General	Special Deposits	Traffic Enforcements	Total General Funds
REVENUES				
Property tax	\$33,949,879			\$33,949,879
Sales tax	15,570,850			15,570,850
Utility users tax	5,912,945			5,912,945
Franchise fees	4,255,982			4,255,982
Other taxes	7,300,774			7,300,774
Licenses and permits	2,981,237			2,981,237
Fines and forfeitures	2,637,093		\$403,433	3,040,526
Rents and interest	562,070			562,070
Receipts from other agencies	8,388,845			8,388,845
Charges and fees	5,636,364			5,636,364
Miscellaneous	2,217,940	75		2,218,015
Total Revenues	89,413,979	75	403,433	89,817,487
EXPENDITURES				
Current:				
General government	12,816,188	2,206		12,818,394
Public safety	62,956,867		278,522	63,235,389
Public works	5,644,073			5,644,073
Culture and recreation	10,125,396			10,125,396
Economic and community development	3,971,153			3,971,153
Total Expenditures	95,513,677	2,206	278,522	95,794,405
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,099,698)	(2,131)	124,911	(5,976,918)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	379,095			379,095
Transfers in	3,330,227			3,330,227
Transfers (out)	(8,490,365)			(8,490,365)
Total Other Financing Sources (Uses)	(4,781,043)			(4,781,043)
NET CHANGES IN FUND BALANCES	(10,880,741)	(2,131)	124,911	(10,757,961)
BEGINNING FUND BALANCES	72,761,004	425,408	481,682	73,668,094
ENDING FUND BALANCES	\$61,880,263	\$423,277	\$606,593	\$62,910,133



MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS
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The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or rehabilitation of major capital assets other than those financed by Proprietary Funds.

CITY OF DALY CITY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Rents and interest		(\$56,565)	(\$56,565)
Federal programs and grants	\$191,950	215,118	23,168
Receipts from other agencies	112,614	254,055	141,441
Charges and fees	2,562,983	2,201,354	(361,629)
Miscellaneous		189,998	189,998
 Total Revenues	 2,867,547	 2,803,960	 (63,587)
EXPENDITURES			
Capital projects	11,100,278	3,070,593	8,029,685
 Total Expenditures	 11,100,278	 3,070,593	 8,029,685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(8,232,731)	(266,633)	7,966,098
OTHER FINANCING SOURCES (USES)			
Transfers in	5,709,781	4,833,167	(876,614)
Transfers (out)	(3,835,420)	(1,661,410)	2,174,010
 Total Other Financing Sources (Uses)	 1,874,361	 3,171,757	 1,297,396
NET CHANGE IN FUND BALANCES			
	(\$6,358,370)	2,905,124	\$9,263,494
 BEGINNING FUND BALANCE		 25,523,017	
 ENDING FUND BALANCE		 \$28,428,141	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

The City's Special Revenue Funds are as follows:

- Low and Moderate Income Housing Assets – to account for the activities of the Housing Successor Agency to the Daly City Redevelopment Agency.
- Community Block Grant - to account for monies received by the City as a participant in the federal Community Development Block Grant (CDBG) program.
- Linda Vista Benefit Assessment - to account for the charges and for the costs of maintenance of storm drains in the Linda Vista Subdivision.
- Traffic Safety – to account for grant funds and vehicle impound fees authorized by State law specifically to provide traffic safety programs.

CITY OF DALY CITY
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2021

	SPECIAL REVENUE FUNDS				
	Low and Moderate Income Housing Assets	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$5,610,719		\$547,370	\$78,696	\$6,236,785
Accounts receivable, net		\$285,684	505	120	286,309
Notes receivable		1,021,468			1,021,468
Property held for development	3,366,888				3,366,888
Total Assets	\$8,977,607	\$1,307,152	\$547,875	\$78,816	\$10,911,450
LIABILITIES					
Accounts payable	\$4,013	\$39,984	\$2,160		\$46,157
Accrued payroll	803	3,147			3,950
Due to other funds		241,028			241,028
Deposits payable	4,001	1,639			5,640
Total Liabilities	8,817	285,798	2,160		296,775
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans		1,021,468			1,021,468
FUND BALANCES					
Restricted	8,968,790		545,715	78,816	9,593,321
Unassigned		(114)			(114)
Total Fund Balances	8,968,790	(114)	545,715	78,816	9,593,207
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$8,977,607	\$1,307,152	\$547,875	\$78,816	\$10,911,450

CITY OF DALY CITY
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS				Total Nonmajor Governmental Funds
	Low and Moderate Income Housing Assets	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	
REVENUES					
Rents and interest	\$52,862		(\$1,677)		\$51,185
Federal programs and grants		\$994,785			994,785
Charges and fees	20,064		44,380	\$7,640	72,084
Miscellaneous	4,100	258,423		261	262,784
Total Revenues	77,026	1,253,208	42,703	7,901	1,380,838
EXPENDITURES					
Public safety				29,063	29,063
Public works			26,353		26,353
Culture and recreation					
Economic and community development	258,627	865,302			1,123,929
Debt service:					
Principal		365,000			365,000
Interest		23,020			23,020
Total Expenditures	258,627	1,253,322	26,353	29,063	1,567,365
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(181,601)	(114)	16,350	(21,162)	(186,527)
OTHER FINANCING SOURCES (USES)					
Transfers in	228,500				228,500
Total Other Financing Sources (Uses)	228,500				228,500
NET CHANGE IN FUND BALANCES	46,899	(114)	16,350	(21,162)	41,973
BEGINNING FUND BALANCES	8,921,891		529,365	99,978	9,551,234
ENDING FUND BALANCES	\$8,968,790	(\$114)	\$545,715	\$78,816	\$9,593,207

CITY OF DALY CITY
BUDGETED NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	LOW AND MODERATE INCOME HOUSING ASSETS			COMMUNITY BLOCK GRANT		
			Variance			Variance
	Budget	Actual	Positive (Negative)	Budget	Actual	Positive (Negative)
REVENUES						
Rents and interest	\$75,000	\$52,862	(\$22,138)			
Federal programs and grants				\$2,439,357	\$994,785	(\$1,444,572)
Charges and fees	492,296	20,064	(472,232)			
Miscellaneous	19,500	4,100	(15,400)	253,987	258,423	4,436
Total Revenues	586,796	77,026	(509,770)	2,693,344	1,253,208	(1,440,136)
EXPENDITURES						
Public Safety						
Services and supplies						
Capital outlay						
Other charges						
Total Public Safety						
Public Works						
Services and supplies						
Capital outlay						
Other charges						
Total Public Works						
Culture and Recreation						
Salaries and benefits						
Services and supplies						
Other charges						
Total Culture and Recreation						
Economic and Community Development						
Salaries and benefits	111,484	113,519	(2,035)	439,663	426,508	13,155
Services and supplies	206,603	145,108	61,495	992,272	315,377	676,895
Other charges	4,200,000		4,200,000	797,710	123,417	674,293
Debt Service:						
Principal				365,000	365,000	
Interest				23,020	23,020	
Total Economic and Community Development	4,518,087	258,627	4,259,460	2,617,665	1,253,322	1,364,343
Total Expenditures	4,518,087	258,627	4,259,460	2,617,665	1,253,322	1,364,343
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,931,291)	(181,601)	3,749,690	75,679	(114)	(75,793)
OTHER FINANCING SOURCES (USES)						
Transfers in	228,500	228,500				
Transfers out						
Total Other Financing Sources (Uses)	228,500	228,500				
NET CHANGE IN FUND BALANCES	(\$3,702,791)	46,899	\$3,749,690	\$75,679	(114)	(\$75,793)
BEGINNING FUND BALANCES		8,921,891				
ENDING FUND BALANCES		\$8,968,790			(\$114)	

LINDA VISTA BENEFIT ASSESSMENT			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$5,264	(\$1,677)	(\$6,941)			
44,381	44,380	(1)	\$12,120	\$7,640	(\$4,480)
49,645	42,703	(6,942)	12,120	7,901	(4,219)
			34,587	22,867	11,720
			1,256	1,146	110
			6,321	5,050	1,271
			42,164	29,063	13,101
16,942	17,782	(840)			
4,000	8,070	(4,070)			
500	501	(1)			
21,442	26,353	(4,911)			
21,442	26,353	(4,911)	42,164	29,063	13,101
28,203	16,350	(11,853)	(30,044)	(21,162)	8,882
\$28,203	16,350	(\$11,853)	(\$30,044)	(21,162)	\$8,882
	529,365			99,978	
	\$545,715			\$78,816	



NONMAJOR ENTERPRISE FUNDS

The City maintains the following nonmajor enterprise funds:

- Civic Center - to account for rental activity of real property owned by the City in the Civic Center area.
- Transfer Station - to account for the activity of the Mussel Rock garbage transfer station.

CITY OF DALY CITY
 NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF FUND NET POSITION
 JUNE 30, 2021

	Civic Center	Transfer Station	Total
ASSETS			
Current Assets:			
Cash and investments	\$1,504,475	\$1,545,317	\$3,049,792
Accounts receivable, net	<u>14,523</u>		<u>14,523</u>
Total Current Assets	<u>1,518,998</u>	<u>1,545,317</u>	<u>3,064,315</u>
Capital Assets:			
Land	1,695,762	93,384	1,789,146
Buildings	<u>5,568,728</u>	<u>1,184,278</u>	<u>6,753,006</u>
Equipment	<u>936,705</u>	<u>20,912</u>	<u>957,617</u>
Total Capital Assets	<u>8,201,195</u>	<u>1,298,574</u>	<u>9,499,769</u>
Less accumulated depreciation	<u>(5,098,912)</u>	<u>(1,205,190)</u>	<u>(6,304,102)</u>
Net Capital Assets	<u>3,102,283</u>	<u>93,384</u>	<u>3,195,667</u>
Total Assets	<u>4,621,281</u>	<u>1,638,701</u>	<u>6,259,982</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>16,316</u>		<u>16,316</u>
Total Liabilities	<u>16,316</u>		<u>16,316</u>
NET POSITION			
Net investment in capital assets	3,102,283	93,384	3,195,667
Unrestricted	<u>1,502,682</u>	<u>1,545,317</u>	<u>3,047,999</u>
Total Net Position	<u>\$4,604,965</u>	<u>\$1,638,701</u>	<u>\$6,243,666</u>

CITY OF DALY CITY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Civic Center</u>	<u>Transfer Station</u>	<u>Total</u>
OPERATING REVENUES			
Rental income	\$881,616	\$108,390	\$881,616
Other revenues	<u>45,171</u>	<u>108,390</u>	<u>153,561</u>
Total Operating Revenues	<u>926,787</u>	<u>108,390</u>	<u>1,035,177</u>
OPERATING EXPENSES			
Salaries and benefits	488,425	488,425	488,425
Services and supplies	159,625	159,625	159,625
Utilities	19,346	19,346	19,346
Insurance	190,693	190,693	190,693
Total Operating Expenses	<u>858,089</u>	<u>108,390</u>	<u>858,089</u>
Operating Income	<u>68,698</u>	<u>108,390</u>	<u>177,088</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	(5,419)	(5,419)	(5,419)
Income (Loss) Before Transfers	<u>63,279</u>	<u>108,390</u>	<u>171,669</u>
Transfers out	(62,250)	(110,194)	(172,444)
Change in Net Position	<u>1,029</u>	<u>(1,804)</u>	<u>(775)</u>
BEGINNING NET POSITION	<u>4,603,936</u>	<u>1,640,505</u>	<u>6,244,441</u>
ENDING NET POSITION	<u>\$4,604,965</u>	<u>\$1,638,701</u>	<u>\$6,243,666</u>

CITY OF DALY CITY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Civic Center	Transfer Station	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$942,036	\$307,825	\$1,249,861
Payments to suppliers	(668,720)	(65)	(668,785)
Payments to employees	<hr/>	<hr/>	<hr/>
Cash Flows from Operating Activities	<hr/> 273,316	<hr/> 307,760	<hr/> 581,076
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	<hr/> (62,250)	<hr/> (110,194)	<hr/> (172,444)
Cash Flows from Noncapital financing activities	<hr/> (62,250)	<hr/> (110,194)	<hr/> (172,444)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<hr/> (5,419)	<hr/>	<hr/> (5,419)
Net Cash Flows	205,647	197,566	403,213
Cash and investments at beginning of year	<hr/> 1,298,828	<hr/> 1,347,751	<hr/> 2,646,579
Cash and investments at end of year	<hr/> \$1,504,475	<hr/> \$1,545,317	<hr/> \$3,049,792
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$68,698	\$108,390	\$177,088
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	190,693		190,693
Change in assets and liabilities:			
Accounts receivable	15,249	199,435	214,684
Accounts payable	(1,324)	(65)	(1,389)
Compensated absences	<hr/>	<hr/>	<hr/>
OPEB related items	<hr/>	<hr/>	<hr/>
Cash Flows from Operating Activities	<hr/> \$273,316	<hr/> \$307,760	<hr/> \$581,076

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund are eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position. However, internal service funds are still presented separately in the Fund financial statements.

The City's Internal Service Funds are:

- Motor Vehicles - to account for the purchase and maintenance of all motor vehicles provided as a service to City departments.
- Central Services - to account for and allocate costs related to providing mail messenger services for City departments.
- PBX - to account for services provided for the operation and maintenance of the City's telephone system.
- Building Maintenance - to account for services provided for the maintenance of City facilities.
- Information Services - to account for the distribution of computer hardware, software and operating costs to various City departments.
- Self-Insurance - to account for the costs of workers compensation, automotive, and general liability claims against the City.
- PERS Contributions - to account for the long-term debt, prepaid PERS contributions and repayments from benefiting City funds and departments resulting from the City's PERS Obligation Bond issue.

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Motor Vehicles	Central Services	PBX	Building Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$6,902,399	\$270,824	\$399,136	\$2,708,222
Cash with fiscal agent				
Accounts receivable, net	29,939			
Inventories	102,527			58,509
Prepays	1,483,056			
Total Current Assets	<u>8,517,921</u>	<u>270,824</u>	<u>399,136</u>	<u>2,766,731</u>
Capital Assets:				
Land				
Buildings	35,817			
Equipment	17,710,926	9,370	932,404	132,467
Furniture and fixtures				16,490
Construction in progress				
Total Capital Assets	<u>17,746,743</u>	<u>9,370</u>	<u>932,404</u>	<u>148,957</u>
Less Accumulated Depreciation	(12,021,134)	(9,370)	(932,404)	(75,791)
Net Capital Assets	<u>5,725,609</u>			<u>73,166</u>
Total Assets	<u>14,243,530</u>	<u>270,824</u>	<u>399,136</u>	<u>2,839,897</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	<u>93,177</u>	<u>29,118</u>		<u>215,471</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	76,508	4,296		69,930
Accrued payroll	7,073	1,199		21,100
Interest payable	21,118			
Accrued claims payable				
Lease payable	195,490			
PERS obligation bonds				
Total Current Liabilities	<u>300,189</u>	<u>5,495</u>		<u>91,030</u>
Long-Term Liabilities:				
Compensated absences	170,315			395,471
Accrued claims payable				
Net OPEB Liability	712,974	222,804		1,648,752
Lease payable	1,287,566			
PERS obligation bonds				
Total Long-Term Liabilities	<u>2,170,855</u>	<u>222,804</u>		<u>2,044,223</u>
Total Liabilities	<u>2,471,044</u>	<u>228,299</u>		<u>2,135,253</u>
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	<u>63,848</u>	<u>19,952</u>		<u>147,648</u>
NET POSITION				
Net investment in capital assets	4,242,553			73,166
Restricted for debt service				
Unrestricted	7,559,262	51,691	399,136	699,301
Total Net Position (Deficit)	<u>\$11,801,815</u>	<u>\$51,691</u>	<u>\$399,136</u>	<u>\$772,467</u>

Information Services	Self-Insurance	PERS Contributions	Total
\$5,233,999	\$16,602,896	\$9,464,361	\$41,581,837
		549	549
150	16,643		46,732
			161,036
		1,483,056	
<u>5,234,149</u>	<u>16,619,539</u>	<u>9,464,910</u>	<u>43,273,210</u>
	378,343		378,343
			35,817
4,571,527			23,356,694
46,614			63,104
<u>331,402</u>	<u>378,343</u>	<u>9,464,910</u>	<u>331,402</u>
<u>4,949,543</u>	<u>378,343</u>	<u>9,464,910</u>	<u>24,165,360</u>
(3,734,978)			(16,773,677)
<u>1,214,565</u>	<u>378,343</u>	<u>9,464,910</u>	<u>7,391,683</u>
<u>6,448,714</u>	<u>16,997,882</u>	<u>9,464,910</u>	<u>50,664,893</u>
<u>58,226</u>			<u>395,992</u>
30,100	34,411	251,067	466,312
10,856	2,836		43,064
		58,026	79,144
	2,452,655		2,452,655
			195,490
		3,560,000	3,560,000
<u>40,956</u>	<u>2,489,902</u>	<u>3,869,093</u>	<u>6,796,665</u>
134,631	36,656		737,073
	7,697,345		7,697,345
445,609			3,030,139
			1,287,566
		8,250,000	8,250,000
<u>580,240</u>	<u>7,734,001</u>	<u>8,250,000</u>	<u>21,002,123</u>
<u>621,196</u>	<u>10,223,903</u>	<u>12,119,093</u>	<u>27,798,788</u>
<u>39,905</u>			<u>271,353</u>
1,214,565	378,343		5,908,627
		549	549
4,631,274	6,395,636	(2,654,732)	17,081,568
<u>\$5,845,839</u>	<u>\$6,773,979</u>	<u>(\$2,654,183)</u>	<u>\$22,990,744</u>

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Vehicles	Central Services	PBX	Building Maintenance
OPERATING REVENUES				
Charges to City departments	\$4,449,861	\$247,325	\$279,942	\$5,127,838
Other revenues	238,914		2,450	216,190
Total Operating Revenues	<u>4,688,775</u>	<u>247,325</u>	<u>282,392</u>	<u>5,344,028</u>
OPERATING EXPENSES				
Salaries and benefits	1,201,468	97,806		3,220,828
Services and supplies	1,413,519	104,300	56,775	1,015,785
Utilities	20,301	212	156,441	250,581
Insurance	549,230	208		6,605
Claims and settlements				
Depreciation	851,097			7,073
Other charges	4,168	1,105		97,287
Total Operating Expenses	<u>4,039,783</u>	<u>203,631</u>	<u>213,216</u>	<u>4,598,159</u>
Operating Income (Loss)	<u>648,992</u>	<u>43,694</u>	<u>69,176</u>	<u>745,869</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	1,778	88	(597)	502
Gain on sale of capital assets	57,540			
Loss on sale of capital assets	(2,766)			
Interest expense	(21,118)			
Total Nonoperating Revenues (Expenses)	<u>35,434</u>	<u>88</u>	<u>(597)</u>	<u>502</u>
Income (Loss) Before Transfers	<u>684,426</u>	<u>43,782</u>	<u>68,579</u>	<u>746,371</u>
Transfers in	158,711	42,104		
Transfers out	(78,168)	(11,197)	(12,779)	(129,605)
Net Transfers	<u>80,543</u>	<u>30,907</u>	<u>(12,779)</u>	<u>(129,605)</u>
Change in Net Position	<u>764,969</u>	<u>74,689</u>	<u>55,800</u>	<u>616,766</u>
BEGINNING NET POSITION (DEFICITS)	<u>11,036,846</u>	<u>(22,998)</u>	<u>343,336</u>	<u>155,701</u>
ENDING NET POSITION (DEFICITS)	<u>\$11,801,815</u>	<u>\$51,691</u>	<u>\$399,136</u>	<u>\$772,467</u>

Information Services	Self-Insurance	PERS Contributions	Total
\$3,148,432	\$6,934,540	\$4,368,317	\$24,556,255
49,734	160,284		667,572
<u>3,198,166</u>	<u>7,094,824</u>	<u>4,368,317</u>	<u>25,223,827</u>
1,408,883	352,690		6,281,675
1,282,818	1,511,076	7,442	5,391,715
45,690	777		474,002
262	1,537,896		2,094,201
	2,459,361		2,459,361
42,191			900,361
153,764	2,358		258,682
<u>2,933,608</u>	<u>5,864,158</u>	<u>7,442</u>	<u>17,859,997</u>
<u>264,558</u>	<u>1,230,666</u>	<u>4,360,875</u>	<u>7,363,830</u>
(16,902)	(24,055)	487	(38,699)
			57,540
(425)			(3,191)
			(891,196)
<u>(17,327)</u>	<u>(24,055)</u>	<u>(869,591)</u>	<u>(875,546)</u>
247,231	1,206,611	3,491,284	6,488,284
64,581			265,396
(251,450)	(221,046)		(704,245)
(186,869)	(221,046)		(438,849)
60,362	985,565	3,491,284	6,049,435
5,785,477	5,788,414	(6,145,467)	16,941,309
<u>\$5,845,839</u>	<u>\$6,773,979</u>	<u>(\$2,654,183)</u>	<u>\$22,990,744</u>

**CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Motor Vehicles</u>	<u>Central Services</u>	<u>PBX</u>	<u>Building Maintenance</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$4,663,530	\$247,325	\$282,392	\$5,344,373
Payments to suppliers	(3,456,890)	(106,239)	(213,225)	(1,422,534)
Payments to employees	(1,171,049)	(99,124)		(3,192,104)
Claims paid				
 Cash Flows from (used for) Operating Activities	 35,591	 41,962	 69,167	 729,735
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on noncapital debt				
Interest paid on noncapital debt				
Interfund receipts	158,711	42,104		
Interfund payments	(78,168)	(11,197)	(12,779)	(129,605)
 Cash Flows from (used for) Noncapital Financing Activities	 80,543	 30,907	 (12,779)	 (129,605)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(278,907)			(1)
Proceeds from sale of capital assets	57,540			
Issuance of debt	1,483,056			
Principal paid on capital debt				
Interest paid on capital debt				
 Cash Flows from (used for) Capital and Related Financing Activities	 1,261,689			 (1)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income (expense)	1,778	88	(597)	502
 Net Cash Flows	 1,379,601	 72,957	 55,791	 600,631
 Cash and investments at beginning of period	 5,522,798	 197,867	 343,345	 2,107,591
 Cash and investments at end of period	 <u>\$6,902,399</u>	 <u>\$270,824</u>	 <u>\$399,136</u>	 <u>\$2,708,222</u>
 Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$648,992	\$43,694	\$69,176	\$745,869
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	851,097			7,073
Change in assets and liabilities:				
Receivables, net	(25,245)			345
Inventories	(5,458)			(18,917)
Prepads	(1,483,056)			
Accounts payable	18,842	(414)	(9)	(33,359)
Accrued claims payable				
Accrued payroll	1,988	322		8,163
Compensated absences	33,678			32,695
OPEB related items	(5,247)	(1,640)		(12,134)
 Cash Flows from (used for) Operating Activities	 <u>\$35,591</u>	 <u>\$41,962</u>	 <u>\$69,167</u>	 <u>\$729,735</u>
NONCASH TRANSACTIONS				
Retirement of capital assets	 <u>(\$2,766)</u>			



CUSTODIAL FUNDS

Custodial Funds account for assets held by the City as agent for individuals, governmental entities, and nonpublic organizations. Custodial funds are required to be presented separately from the Government-wide and Fund financial statements.

These funds include the following:

- Billing Services – a custodial fund to account for the cash temporarily held by the City in its role as billing agent for garbage collection services provided by Republic Services Group.
- Supporters of Senior Center – a custodial fund to reflect cash held by the City in its role as fiscal agent for the Supporters of Doelger Senior Center, a private nonprofit organization benefiting seniors in Daly City. The Supporters establish how the sources can be expended and approve disbursements from the account.

**CITY OF DALY CITY
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Billing Services	Supporters of Senior Center	Total
ASSETS			
Current Assets:			
Cash and investments	\$1,397,257	\$366,571	\$1,763,828
Accounts receivable, net	2,342,510	80,000	2,422,510
Total Assets	<u>3,739,767</u>	<u>446,571</u>	<u>4,186,338</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	3,739,767	2,279	3,742,046
Total Liabilities	<u>3,739,767</u>	<u>2,279</u>	<u>3,742,046</u>
NET POSITION			
Restricted for other organizations			
Total Net Position (Deficit)	<u><u>444,292</u></u>	<u><u>444,292</u></u>	<u><u>444,292</u></u>

**CITY OF DALY CITY
CUSTODIAL FUNDS**
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Billing Services	Supporters of Senior Center	Total
ADDITIONS			
Charges for services			
Receipts from other agencies		\$80,100	\$80,100
Interest income			
 Total Additions	 _____	 80,100	 80,100
DEDUCTIONS			
Culture and recreation			
	 _____	 4,258	 4,258
 Total Deductions	 _____	 4,258	 4,258
 Change in Net Position		 75,842	 75,842
 BEGINNING NET POSITION, AS RESTATED	 _____	 368,450	 368,450
 ENDING NET POSITION (DEFICITS)	 _____	 \$444,292	 \$444,292



STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Real Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Water Utility District

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION - (Continued)

Operating Information

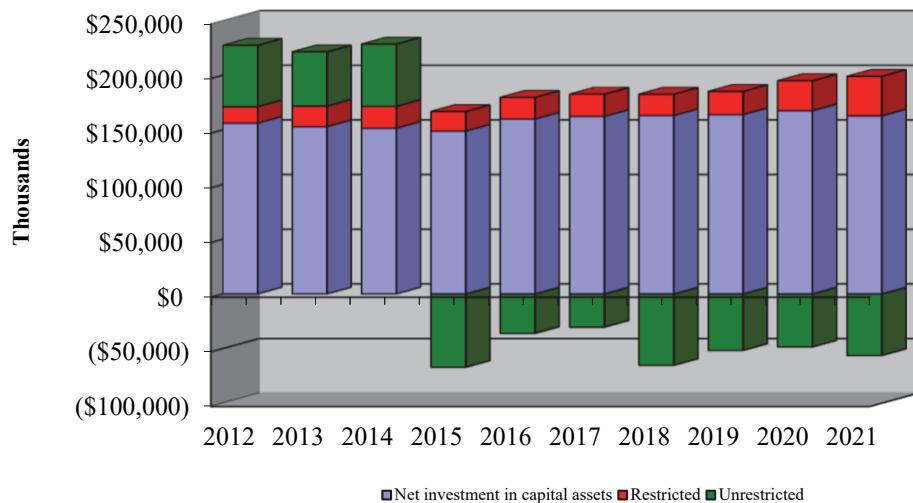
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF DALY CITY
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)



	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$87,549,833	\$85,483,907	\$84,272,501	\$82,583,587	\$94,823,140
Restricted	15,053,531	18,829,245	20,021,555	17,933,727	19,744,996
Unrestricted	23,884,922	18,898,618	22,495,121	(88,028,802)	(64,966,915)
Total governmental activities net position	<u><u>\$126,488,286</u></u>	<u><u>\$123,211,770</u></u>	<u><u>\$126,789,177</u></u>	<u><u>\$12,488,512</u></u>	<u><u>\$49,601,221</u></u>

	2012	2013	2014	2015	2016
Business-type activities					
Net investment in capital asset	\$68,587,946	\$67,479,305	\$67,235,990	\$66,278,166	\$65,118,626
Restricted			11,229	11,231	11,250
Unrestricted	32,290,613	30,663,259	34,392,335	20,914,381	28,846,650
Total business-type activities net position	<u><u>\$100,878,559</u></u>	<u><u>\$98,142,564</u></u>	<u><u>\$101,639,554</u></u>	<u><u>\$87,203,778</u></u>	<u><u>\$93,976,526</u></u>

	2012	2013	2014	2015	2016
Primary government					
Net investment in capital assets	\$156,137,779	\$152,963,212	\$151,508,491	\$148,861,753	\$159,941,766
Restricted	15,053,531	18,829,245	20,032,784	17,944,958	19,756,246
Unrestricted	56,175,535	49,561,877	56,887,456	(67,114,421)	(36,120,265)
Total primary government net position	<u><u>\$227,366,845</u></u>	<u><u>\$221,354,334</u></u>	<u><u>\$228,428,731</u></u>	<u><u>\$99,692,290</u></u>	<u><u>\$143,577,747</u></u>

	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$97,821,524	\$97,958,640	\$97,757,236	\$100,413,948	\$96,788,966
Restricted	20,315,097	19,491,867	21,237,769	27,367,081	36,133,323
Unrestricted	(62,902,410)	(92,551,797)	(76,426,827)	(76,136,850)	(87,745,203)
Total governmental activities net position	<u><u>\$55,234,211</u></u>	<u><u>\$24,898,710</u></u>	<u><u>\$42,568,178</u></u>	<u><u>\$51,644,179</u></u>	<u><u>\$45,177,086</u></u>

	2017	2018	2019	2020	2021
Business-type activities					
Net investment in capital assets	\$64,499,223	\$65,137,866	\$66,160,150	\$67,108,189	\$66,028,084
Restricted	11,250	11,281	11,387	11,325	11,324
Unrestricted	32,508,857	27,207,951	24,735,488	27,617,595	31,433,874
Total business-type activities net position	<u><u>\$97,019,330</u></u>	<u><u>\$92,357,098</u></u>	<u><u>\$90,907,025</u></u>	<u><u>\$94,737,109</u></u>	<u><u>\$97,473,282</u></u>

	2017	2018	2019	2020	2021
Primary government					
Net investment in capital assets	\$162,320,747	\$163,096,506	\$163,917,386	\$167,522,137	\$162,817,050
Restricted	20,326,347	19,503,148	21,249,156	27,378,406	36,144,647
Unrestricted	(30,393,553)	(65,343,846)	(51,691,339)	(48,519,255)	(56,311,329)
Total primary government net position	<u><u>\$152,253,541</u></u>	<u><u>\$117,255,808</u></u>	<u><u>\$133,475,203</u></u>	<u><u>\$146,381,288</u></u>	<u><u>\$142,650,368</u></u>

CITY OF DALY CITY
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$10,260,757	\$8,823,639	\$10,889,822	\$9,669,627
Public safety	45,511,296	44,910,136	42,704,694	43,774,625
Public works	5,406,051	5,064,375	5,597,137	7,579,522
Streets and infrastructure	3,395,911	4,114,332	3,318,214	3,466,347
Culture and recreation	14,415,687	13,811,273	13,350,277	11,621,738
Economic and community development	5,654,736	4,661,549	3,592,174	4,718,470
Nondepartmental				
Interest on long term debt	335,549	177,561	166,114	172,642
Total governmental activities expenses	<u>84,979,987</u>	<u>81,562,865</u>	<u>79,618,432</u>	<u>81,002,971</u>
Business-type activities:				
Water	13,460,939	15,266,033	13,337,352	14,451,497
Civic center	686,051	813,497	841,901	853,913
Transfer station	48,926	151,582	165,477	178,290
Sanitation district	18,587,421	16,663,492	18,262,624	18,629,686
Total business-type activities expenses	<u>32,783,337</u>	<u>32,894,604</u>	<u>32,607,354</u>	<u>34,113,386</u>
Total primary government expenses	<u><u>\$117,763,324</u></u>	<u><u>\$114,457,469</u></u>	<u><u>\$112,225,786</u></u>	<u><u>\$115,116,357</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$764,719	\$753,748	\$1,034,252	\$5,054,225
Public safety	4,685,400	4,415,226	4,454,105	5,403,840
Public works	1,259,803	1,313,510	1,036,109	1,528,698
Streets and infrastructure	953,473	1,009,844	1,135,335	1,283,105
Culture and recreation	2,913,641	2,723,265	2,812,145	2,989,174
Economic and community development	2,095,455	2,374,804	2,243,212	4,961,729
Nondepartmental				
Operating grants and contributions	8,189,627	7,356,801	7,901,753	8,467,395
Capital grants and contributions	3,421,710	763,676	325,832	3,355,718
Total governmental activities program revenues	<u>24,283,828</u>	<u>20,710,874</u>	<u>20,942,743</u>	<u>33,043,884</u>
Business-type activities:				
Charges for services:				
Water	14,625,062	16,357,654	18,095,452	18,731,931
Civic center	759,286	671,556	834,950	976,374
Transfer station	375,000	375,000	375,000	375,000
Sanitation district	15,018,052	15,600,570	16,676,480	18,416,575
Total business-type activities program revenues	<u>30,777,400</u>	<u>33,004,780</u>	<u>35,981,882</u>	<u>38,499,880</u>
Total primary government program revenues	<u><u>\$55,061,228</u></u>	<u><u>\$53,715,654</u></u>	<u><u>\$56,924,625</u></u>	<u><u>\$71,543,764</u></u>
Net (Expense)/Revenue				
Governmental activities	(\$60,696,159)	(\$60,851,991)	(\$58,675,689)	(\$47,959,087)
Business-type activities	(2,005,937)	110,176	3,374,528	4,386,494
Total primary government net expense	<u><u>(\$62,702,096)</u></u>	<u><u>(\$60,741,815)</u></u>	<u><u>(\$55,301,161)</u></u>	<u><u>(\$43,572,593)</u></u>

(a) Beginning in fiscal year 2020, Streets and Infrastructure is reported with Public Works.

For the Fiscal Year Ended June 30,

2016	2017	2018	2019	2020	2021
\$10,685,635	\$7,972,197	\$11,936,041	\$12,476,872	\$12,998,948	\$13,339,758
45,867,228	63,616,023	55,603,978	56,118,396	65,368,018	67,486,476
8,196,165	7,573,579	10,963,753	12,218,279	14,216,669	17,734,741
4,014,914	3,335,132	2,198,287	1,955,081 (a)		
12,263,494	10,221,420	12,412,166	12,446,541	12,597,628	10,761,931
4,099,948	3,083,160	5,194,603	4,107,836	4,649,920	5,193,416
40,000	95,801,511	1,373,040	1,230,480	1,160,227	820,486
85,167,384	99,681,868	100,553,485	110,991,410	115,336,808	
16,082,814	14,954,595	17,406,932	15,811,469	17,107,407	16,761,016
892,003	800,786	961,868	792,490	832,870	863,506
37,579	206,918	266,241	234,590	28,709	(213)
14,325,333	16,357,133	22,460,549	23,578,769	26,304,502	28,264,570
31,337,729	32,319,432	41,095,590	40,417,318	44,273,488	45,888,879
\$116,505,113	\$128,120,943	\$140,777,458	\$140,970,803	\$155,264,898	\$161,225,687
\$4,074,661	\$3,850,838	\$4,459,835	\$664,292	\$743,003	\$422,110
6,490,600	6,833,086	7,140,073	5,780,948	6,619,952	5,371,364
2,524,779	994,308	1,304,594	1,355,782	4,062,420	4,113,341
1,528,812	1,432,015	1,705,245	1,244,532 (a)		
3,162,473	2,906,739	3,115,467	2,859,075	2,105,126	502,031
6,162,433	4,645,536	4,582,767	3,900,404	4,704,318	4,054,903
6,311,937	6,293,562	6,774,088	11,518,920	17,017,844	18,280,149
2,492,055	1,824,697	1,233,529	5,520,111	4,597,424	2,472,075
32,747,750	28,780,781	30,315,598	32,844,064	39,850,087	35,215,973
16,645,244	17,186,882	18,879,659	20,671,704	23,385,773	23,672,903
695,906	676,391	589,569	801,304	844,360	881,616
281,250					
19,695,887	19,284,396	21,507,323	22,712,582	22,679,620	23,364,666
37,318,287	37,147,669	40,976,551	44,185,590	46,909,753	47,919,185
\$70,066,037	\$65,928,450	\$71,292,149	\$77,029,654	\$86,759,840	\$83,135,158
(\$52,419,634)	(\$67,020,730)	(\$69,366,270)	(\$67,709,421)	(\$71,141,323)	(\$80,120,835)
5,980,558	4,828,237	(119,039)	3,768,272	2,636,265	2,030,306
(\$46,439,076)	(\$62,192,493)	(\$69,485,309)	(\$63,941,149)	(\$68,505,058)	(\$78,090,529)

(Continued)

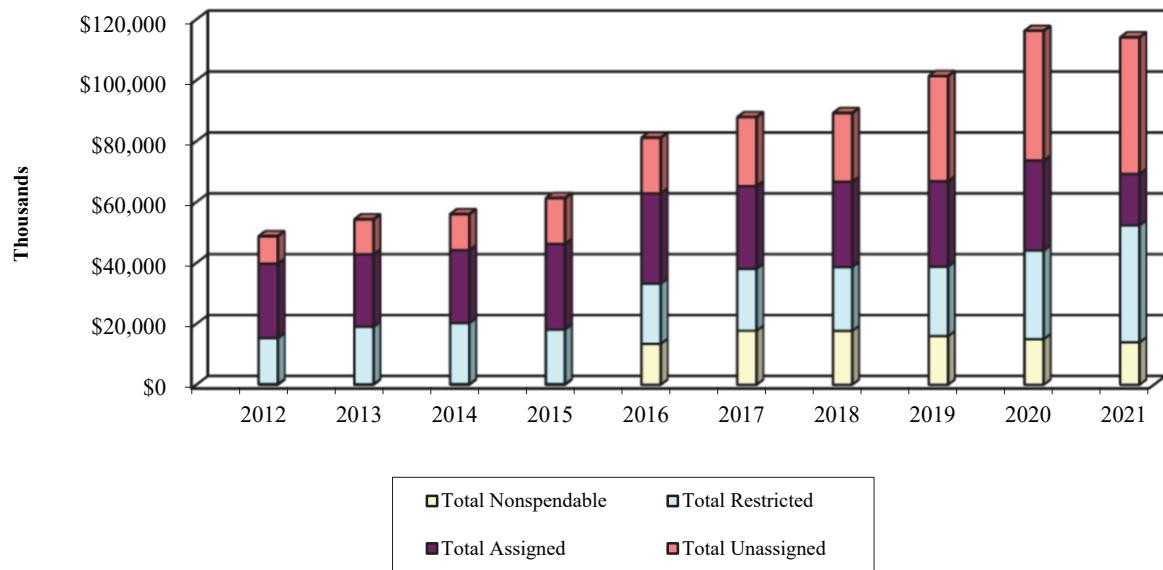
CITY OF DALY CITY
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$27,903,523	\$24,682,775	\$26,609,070	\$29,327,703
Sales taxes	10,638,574	11,619,157	12,594,335	12,379,135
Utility users tax	6,532,361	6,528,566	6,422,821	6,399,410
Franchise fees	3,500,118	3,544,075	3,663,247	3,675,411
Other taxes	4,203,616	4,756,255	5,247,886	5,322,471
Motor vehicle in-lieu	109,179	45,981		44,416
Investment earnings	1,018,793	12,330	925,838	467,009
Other revenues	3,180,451	3,758,739	3,936,433	1,061,054
Transfers	2,800,581	3,010,709	2,853,466	2,983,597
Gain/(Loss) on sale of property				(3,003,763)
Extraordinary or Special item	<u>(19,006,131)</u>	<u>(383,112)</u>	<u>62,253,096</u>	<u>58,656,443</u>
Total government activities	<u>40,881,065</u>	<u>57,575,475</u>	<u>62,253,096</u>	<u>58,656,443</u>
Business-type activities:				
Property taxes	1,433,604	1,470,340	1,558,773	1,713,895
Investment earnings	534,239	(23,403)	493,501	265,045
Other revenues	704,506	715,729	918,589	2,350,952
Gain/(Loss) on sale of property	14,001	1,872	5,065	
Transfers	(2,800,581)	(3,010,709)	(2,853,466)	(2,983,597)
Extraordinary item or special item		(2,000,000)		
Total business-type activities	<u>(114,231)</u>	<u>(2,846,171)</u>	<u>122,462</u>	<u>1,346,295</u>
Total primary government	<u>\$40,766,834</u>	<u>\$54,729,304</u>	<u>\$62,375,558</u>	<u>\$60,002,738</u>
Change in Net Position				
Governmental activities	(\$19,815,094)	(\$3,276,516)	\$3,577,407	\$10,697,356
Business-type activities	(2,120,168)	(2,735,995)	3,496,990	5,732,789
Total primary government	<u>(\$21,935,262)</u>	<u>(\$6,012,511)</u>	<u>\$7,074,397</u>	<u>\$16,430,145</u>

For the Fiscal Year Ended June 30,

2016	2017	2018	2019	2020	2021
\$29,591,108	\$31,417,252	\$33,069,899	\$36,699,766	\$37,261,483	\$33,949,879
13,688,644	13,805,186	15,232,989	17,699,000	16,371,691	18,566,645
6,099,207	6,299,448	5,977,178	5,906,694	5,769,697	5,912,945
3,828,424	3,878,461	4,022,440	4,178,006	4,536,241	4,255,982
5,761,695	6,017,318	6,408,495	6,854,372	7,278,295	7,300,774
828,112	700,994	1,058,264	3,113,786	4,581,480	(109,320)
1,110,702	1,379,422	1,614,584	1,685,805	1,360,090	1,150,745
2,060,161	4,616,272	2,188,873	1,524,773	3,058,347	2,282,058
41,913		217,111	11,639		344,034
26,522,377					
89,532,343	68,114,353	69,789,833	77,673,841	80,217,324	73,653,742
1,754,195	1,859,194	1,957,737	2,172,460	2,254,033	2,335,681
385,674	196,380	268,803	1,096,328	1,518,068	7,164
712,482	775,265	914,539	742,688	478,919	643,228
				1,146	1,852
(2,060,161)	(4,616,272)	(2,188,873)	(1,524,773)	(3,058,347)	(2,282,058)
	4,579,613				
792,190	2,794,180	952,206	2,486,703	1,193,819	705,867
\$90,324,533	\$70,908,533	\$70,742,039	\$80,160,544	\$81,411,143	\$74,359,609
\$37,112,709	\$1,093,623	\$423,563	\$9,964,420	\$9,076,001	(\$6,467,093)
6,772,748	7,622,417	833,167	6,254,975	3,830,084	2,736,173
\$43,885,457	\$8,716,040	\$1,256,730	\$16,219,395	\$12,906,085	(\$3,730,920)

CITY OF DALY CITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$238,031	\$178,570	\$186,129	\$194,403	\$13,453,512
Restricted	12,249,286	12,109,457	12,103,389	12,220,256	12,098,569
Assigned	9,039,548	11,522,227	11,838,923	15,059,052	18,329,649
Unassigned					
Total General Fund	<u>\$21,526,865</u>	<u>\$23,810,254</u>	<u>\$24,128,441</u>	<u>\$27,473,711</u>	<u>\$43,881,730</u>
All Other Governmental Funds					
Nonspendable					\$2,211
Restricted	\$15,053,292	\$18,829,210	\$20,021,531	\$17,933,698	19,742,741
Assigned	12,211,293	11,698,471	11,873,724	15,906,433	17,525,314
Unassigned					
Total all other governmental funds	<u>\$27,264,585</u>	<u>\$30,527,681</u>	<u>\$31,895,255</u>	<u>\$33,840,131</u>	<u>\$37,270,266</u>
All Governmental Funds					
Total Nonspendable	\$238,031	\$178,570	\$186,129	\$194,403	\$13,455,723
Total Restricted	15,053,292	18,829,210	20,021,531	17,933,698	19,742,741
Total Assigned	24,460,579	23,807,928	23,977,113	28,126,689	29,623,883
Total Unassigned	9,039,548	11,522,227	11,838,923	15,059,052	18,329,649
Total All Governmental Funds	<u>\$48,791,450</u>	<u>\$54,337,935</u>	<u>\$56,023,696</u>	<u>\$61,313,842</u>	<u>\$81,151,996</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

For the Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$17,721,519	\$17,684,920	\$15,927,953	\$14,955,064	\$13,875,487
3,016,958	3,198,748	3,382,363	3,746,447	
12,111,209	12,047,395	12,291,473	12,663,807	375,051
22,681,817	22,589,341	34,684,815	42,666,860	44,913,148
\$52,514,545	\$55,338,614	\$66,102,989	\$73,668,094	\$62,910,133 (a)
\$6,998	\$29,668	\$29,738	\$34,625	\$25,184
20,304,044	17,897,042	19,592,976	25,695,472	34,689,298
15,076,221	15,972,732	15,753,688	16,870,159	16,491,889
2,072		(86,950)		(114)
\$35,389,335	\$33,899,442	\$35,289,452	\$42,600,256	\$51,206,257 (a)
\$17,728,517	\$17,714,588	\$15,957,691	\$14,989,689	\$13,900,671
20,304,044	20,914,000	22,791,724	29,077,835	38,435,745
27,187,430	28,020,127	28,045,161	29,533,966	16,866,940
22,683,889	22,589,341	34,597,865	42,666,860	44,913,034
\$87,903,880	\$89,238,056	\$101,392,441	\$116,268,350	\$114,116,390

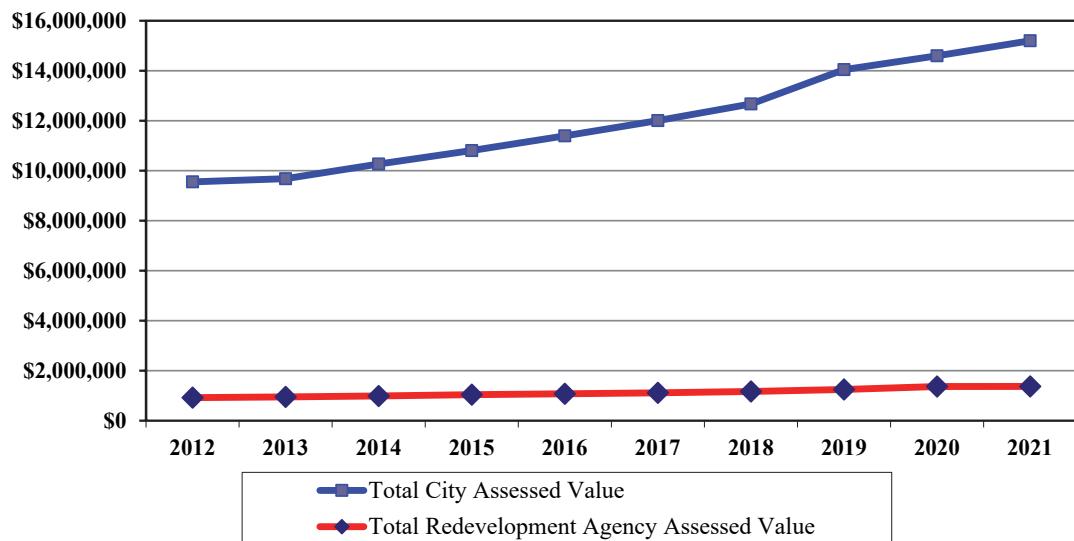
CITY OF DALY CITY
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Revenues				
Taxes	\$56,413,948	\$54,183,995	\$58,493,320	\$60,767,789
Licenses, permits and fees	1,409,698	1,578,457	1,697,703	2,679,745
Fines and forfeitures	2,440,465	2,420,754	2,301,580	2,740,510
Use of money and property	3,132,897	1,050,149	1,864,656	1,499,885
Intergovernmental revenues	7,267,441	4,366,743	3,511,403	6,092,246
Charges for services	7,637,246	7,479,277	7,757,549	12,763,912
Other	4,044,012	4,748,815	4,615,471	5,307,064
Total Revenues	82,345,707	75,828,190	80,241,682	91,851,151
Expenditures				
Current:				
General government	8,682,126	8,194,893	10,882,785	9,495,891
Public safety	42,226,973	42,150,729	42,737,888	44,972,711
Public works	4,995,361	4,726,801	4,712,465	7,053,586
Culture and recreation	12,650,231	12,105,970	11,932,443	10,085,356
Community development	5,773,301	4,666,975	3,896,212	4,917,443
Capital projects	6,977,961	4,336,490	4,149,538	4,359,239
Debt service:				
Principal repayment	2,679,000	212,000	227,000	244,000
Interest and fiscal charges	312,381	181,942	170,919	235,066
Total Expenditures	84,297,334	76,575,800	78,709,250	81,363,292
Excess (deficiency) of revenues over (under) expenditures	(1,951,627)	(747,610)	1,532,432	10,487,859
Other Financing Sources (Uses)				
Sale of property	5,787	18,057		(3,003,763)
Amount paid to State				(3,750,000)
Transfers in	5,753,543	5,812,723	5,523,006	6,306,265
Transfers out	(2,838,147)	(2,903,573)	(5,369,677)	(4,750,215)
Loan proceeds				
Contributions				
Total other financing sources (uses)	2,921,183	2,927,207	153,329	(5,197,713)
Extraordinary items				
Assets transferred to/liabilities assumed by Successor Agency	(18,543,965)	3,366,888		
Net Change in fund balances	(\$17,574,409)	\$5,546,485	\$1,685,761	\$5,290,146
Debt service as a percentage of noncapital expenditures	3.7%	4.0%	0.5%	0.6%

For the Fiscal Year Ended June 30,

2016	2017	2018	2019	2020	2021
\$61,030,589	\$63,536,267	\$66,939,056	\$75,573,768	\$75,484,516	\$74,390,755
2,889,367	3,023,889	2,727,875	2,970,667	3,013,080	2,981,237
3,442,372	3,850,382	3,678,828	3,379,319	3,700,904	3,040,526
1,841,802	1,636,285	2,040,295	3,831,438	5,007,732	564,446
4,218,152	5,526,235	5,378,283	8,922,550	14,405,495	13,652,973
14,632,874	9,771,337	9,992,458	11,417,260	12,764,998	9,035,012
<u>5,527,147</u>	<u>4,989,727</u>	<u>6,785,029</u>	<u>2,293,810</u>	<u>1,936,781</u>	<u>2,824,687</u>
<u>93,582,303</u>	<u>92,334,122</u>	<u>97,541,824</u>	<u>108,388,812</u>	<u>116,313,506</u>	<u>106,489,636</u>
10,777,041	10,067,504	10,259,919	9,076,400	10,354,151	12,823,394
49,047,952	50,681,833	51,147,772	54,547,977	56,894,801	63,791,207
7,589,698	8,480,954	8,895,892	9,173,452	9,588,658	9,426,845
10,569,151	10,802,067	10,637,826	11,624,964	11,946,087	10,196,627
4,306,935	4,340,191	5,115,492	4,531,036	4,841,980	5,476,383
5,726,698	10,019,069	6,927,154	7,201,911	10,683,817	9,639,122
260,000	279,000	298,000	319,000	341,000	365,000
<u>28,730</u>	<u>41,216</u>	<u>38,672</u>	<u>35,165</u>	<u>29,838</u>	<u>23,020</u>
<u>88,306,205</u>	<u>94,711,834</u>	<u>93,320,727</u>	<u>96,509,905</u>	<u>104,680,332</u>	<u>111,741,598</u>
5,276,098	(2,377,712)	4,221,097	11,878,907	11,633,174	(5,251,962)
1,600	262,490	179,922	11,639		379,095
5,561,713	6,633,748	4,030,049	6,278,010	8,486,521	13,712,986
(4,776,760)	(2,346,255)	(7,096,892)	(6,014,171)	(5,243,786)	(10,992,079)
<u>786,553</u>	<u>4,549,983</u>	<u>(2,886,921)</u>	<u>275,478</u>	<u>3,242,735</u>	<u>3,100,002</u>
	4,579,613				
<u>\$6,062,651</u>	<u>\$6,751,884</u>	<u>\$1,334,176</u>	<u>\$12,154,385</u>	<u>\$14,875,909</u>	<u>(\$2,151,960)</u>
0.3%	0.3%	0.4%	0.4%	0.4%	0.4%

CITY OF DALY CITY
ASSESSED VALUE OF TAXABLE REAL PROPERTY
LAST TEN FISCAL YEARS
(in thousand dollars)

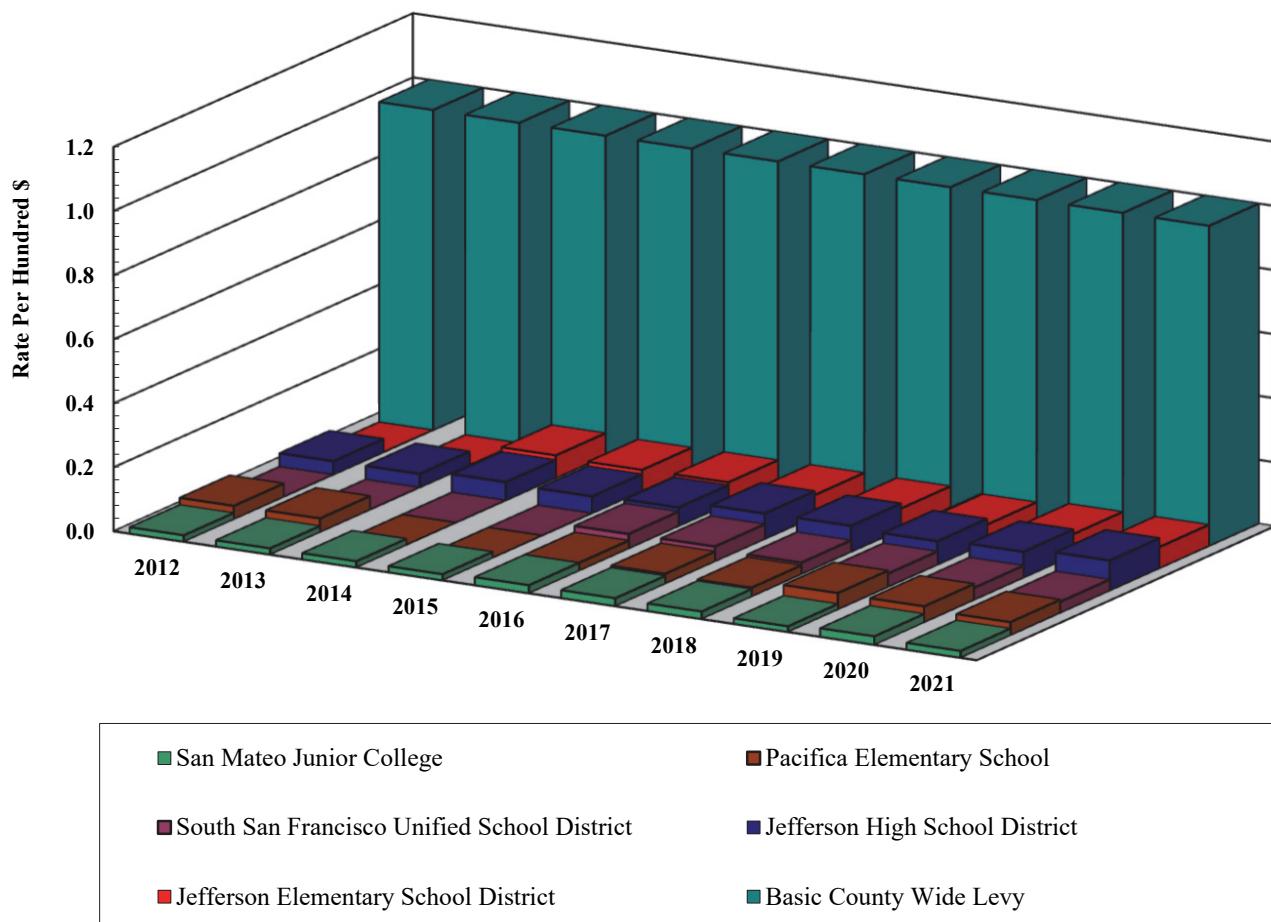


Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate (2)	
	Secured		Unsecured		Total Assessed Value (1)		Total Assessed Value (1)			
	Secured	Unsecured	Exemptions	Total Assessed Value (1)	Secured	Unsecured	Exemptions	Total Assessed Value (1)		
2012	\$ 8,287,585	\$ 242,088	\$ 103,652	\$ 8,633,325	\$ 860,939	\$ 53,608	\$ 6,507	\$ 921,054	1.00%	
2013	8,391,284	237,106	102,195	8,730,585	893,143	50,023	6,516	949,682	1.00%	
2014	8,951,230	227,850	100,563	9,279,643	929,050	51,354	6,413	986,817	1.00%	
2015	9,426,340	239,970	99,548	9,765,858	980,736	53,445	6,373	1,040,554	1.00%	
2016	9,962,576	257,377	98,669	10,318,622	1,011,512	57,075	6,370	1,074,957	1.00%	
2017	10,556,650	238,395	97,391	10,892,436	1,050,088	56,063	6,304	1,112,455	1.00%	
2018	11,167,466	240,562	96,204	11,504,232	1,102,164	59,029	6,066	1,167,259	1.00%	
2019	12,442,279	258,770	95,428	12,796,477	1,175,698	6,187	6,038	1,247,923	1.00%	
2020	12,878,232	259,710	94,427	13,232,369	1,294,087	65,154	6,016	1,365,257	1.00%	
2021	13,483,669	252,523	93,566	13,829,758	1,299,577	64,182	5,985	1,369,744	1.00%	

- (1) The State Constitution requires properties to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually. These values are considered to be full market values.
- (2) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount by an annual calculation to all the taxing entities within a tax rate area.

Source: San Mateo County Controller's Office Annual Publication: Tax Rates and Valuation of Taxable Property

CITY OF DALY CITY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)
LAST TEN FISCAL YEARS



Fiscal Year	Basic County Wide Levy	Jefferson Elementary School District	Jefferson High School District	San Mateo Junior College	South San Francisco Unified School District	Pacifica Elementary School	Total
2012	1.0000		0.0422	0.0199		0.0422	1.1043
2013	1.0000		0.0430	0.0194		0.0432	1.1056
2014	1.0000	0.0713	0.0574	0.0194			1.1481
2015	1.0000	0.0662	0.0530	0.0190			1.1382
2016	1.0000	0.0674	0.0583	0.0250	0.0457	0.0250	1.2214
2017	1.0000	0.0680	0.0800	0.0247	0.0467	0.0311	1.2505
2018	1.0000	0.0663	0.0816	0.0235	0.0366	0.0281	1.2361
2019	1.0000	0.0563	0.0739	0.0175	0.0422	0.0517	1.2416
2020	1.0000	0.0667	0.0811	0.0267	0.0381	0.0505	1.2631
2021	1.0000	0.0667	0.0942	0.0213	0.0350	0.0415	1.2587

Notes: In 1979, State Proposition 13 amended the constitution to provide that the general tax rate be limited to one percent of market value, distributed among all tax agencies. Assessed valuation is set at 100 percent of market value at transfer of title and the tax rate is \$1 per \$100 of assessed value.

The City of Daly City has 67 tax code areas, many with different rates because of differing school district boundaries. The highest tax rate is shown here.

Source: San Mateo County Controller's Office Annual Publication: Tax Rates and Valuation of Taxable Property

CITY OF DALY CITY
Principal Property Tax Payers
Current Year and Nine Years Ago

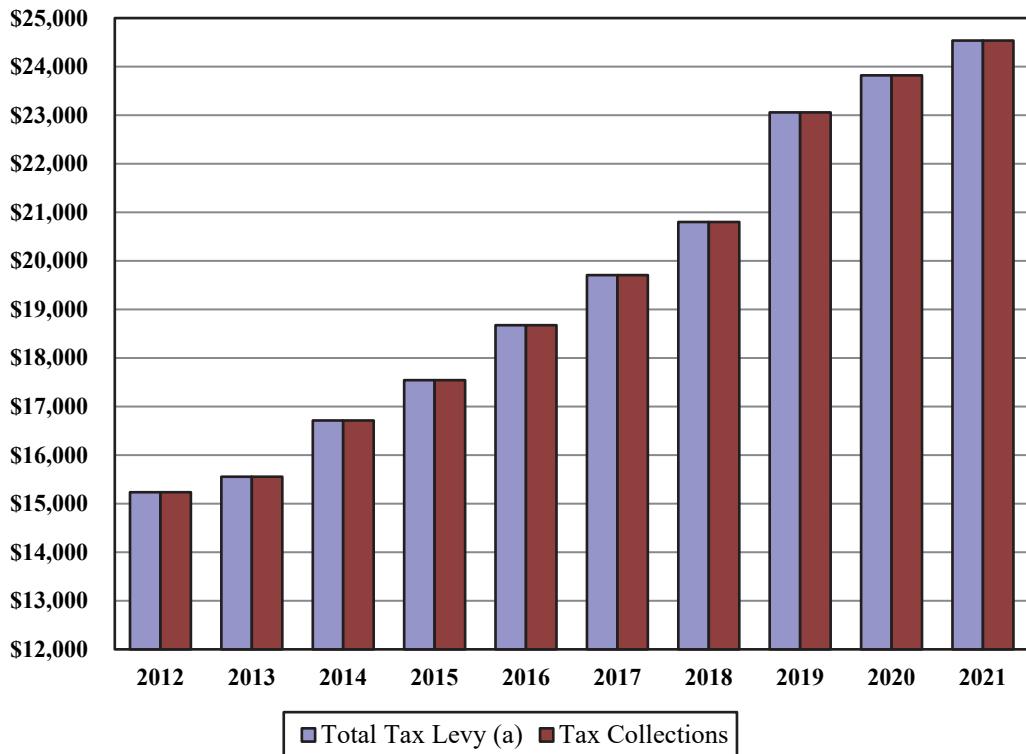
Taxpayer	2020-2021			2011-2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Daly City Serramonte Center LLC	\$ 481,940,192	1	3.48%	114,844,105	5	1.33%
Westlake Assoc Lessee	287,655,607	2	2.08%	116,436,973	4	1.35%
Kimco Westlake Lp	172,695,147	3	1.25%	149,151,543	2	1.73%
Dc Station Owner Llc	119,157,940	4	0.86%			
Skyline Heights Llc	94,323,998	5	0.68%	47,419,037	6	0.55%
SP Peninsula Del Rey LLC	69,109,170	6	0.50%			
Verity Holdings LLC	54,787,899	7	0.40%			
EQR Hillside LP	45,837,091	8	0.33%			
Franciscan Park LLC	40,610,797	9	0.29%	39,682,321	8	0.46%
Jefferson Union High Sch Dist	39,751,179	10	0.29%			
Db Real Estate Pacific Plaza P	-			140,275,489	3	1.62%
RMP Properties (Mission Plaza)	-			33,850,919	10	0.39%
Wasl Daly City Investors V	-			42,638,074	7	0.49%
Serramonte Corporate Center L1	-			38,280,011	9	0.44%
Seton Medical Center	-			198,483,902	1	2.30%
Subtotal	\$ 1,405,869,020		10.17%	\$ 921,062,374		10.67%

Total Assessed Valuation:

Fiscal Year 2020-2021	\$13,829,758,602
Fiscal Year 2011-2012	\$8,633,324,695

Source: San Mateo County Assessor Fiscal Year Combined Tax Rolls
MuniServices, LLC

CITY OF DALY CITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousand dollars)



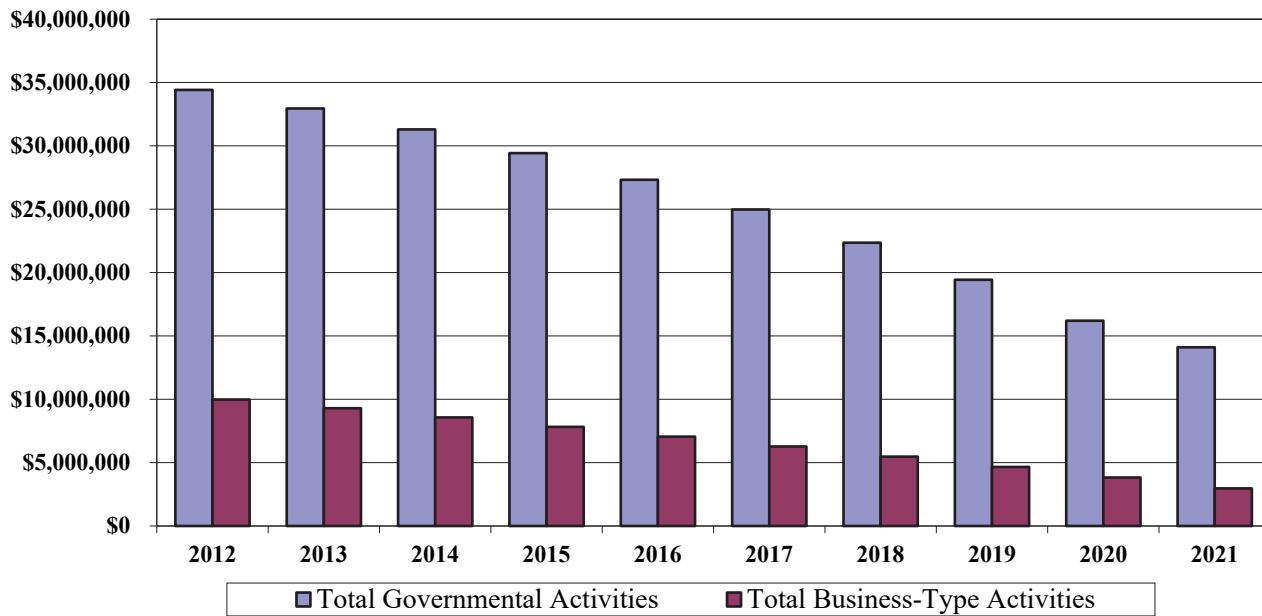
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2012	\$ 15,236	\$ 15,236	100.00%		\$ 15,236	100.00%
2013	15,555	15,555	100.00%		15,555	100.00%
2014	16,713	16,713	100.00%		16,713	100.00%
2015	17,543	17,543	100.00%		17,543	100.00%
2016	18,675	18,675	100.00%		18,675	100.00%
2017	19,707	19,707	100.00%		19,707	100.00%
2018	20,800	20,800	100.00%		20,800	100.00%
2019	23,057	23,057	100.00%		23,057	100.00%
2020	23,820	23,820	100.00%		23,820	100.00%
2021	24,536	24,536	100.00%		24,536	100.00%

Source: City of Daly City

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

- (a) Beginning fiscal year 1995, the County began providing the City 100% of its tax levy under the "Teeter Plan", an agreement which allows the County to keep all interest and delinquency charges collected.

CITY OF DALY CITY
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)			
	Capital Lease	HUD Section 108		PERS Pension Obligation Bonds	Total						
		Loan	Loan	Bonds							
2012		\$ 3,353,000		\$ 31,060,000	\$ 34,413,000						
2013		3,141,000		29,810,000	32,951,000						
2014		2,914,000		28,380,000	31,294,000						
2015		2,670,000		26,755,000	29,425,000						
2016		2,410,000		24,915,000	27,325,000						
2017		2,131,000		22,845,000	24,976,000						
2018		1,833,000		20,520,000	22,353,000						
2019		1,514,000		17,920,000	19,434,000						
2020		1,173,000		15,025,000	16,198,000						
2021	\$ 1,483,056	808,000		11,810,000	14,101,056						
Business-Type Activities											
Fiscal Year	Water Certificates of Participation	Water Revenue Bond	State Water Resources Board Loan	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)				
2012	\$ 6,800,000		\$ 3,172,805	\$ 9,972,805	\$ 44,385,805	1.51%	429.48				
2013		\$6,330,000	2,963,246	9,293,246	42,244,246	1.43%	402.04				
2014		5,815,000	2,748,449	8,563,449	39,857,449	1.33%	376.69				
2015		5,290,000	2,528,282	7,818,282	37,243,282	1.22%	343.14				
2016		4,750,000	2,302,610	7,052,610	34,377,610	0.90%	319.10				
2017		4,205,000	2,071,298	6,276,298	31,252,298	0.90%	290.09				
2018		3,640,000	1,834,202	5,474,202	27,827,202	0.69%	257.98				
2019		3,065,000	1,591,179	4,656,179	24,090,179	0.60%	220.44				
2020		2,480,000	1,342,080	3,822,080	20,020,080	0.54%	184.35				
2021		1,880,000	1,086,754	2,966,754	17,067,810	N/A	N/A				

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Daly City
 State of California, Department of Finance (population)

(a) See Demographic Statistics for population and personal income data.

CITY OF DALY CITY
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30		Pension Obligation Bonds	Percentage of Personal Income (a)	Per Capita (a)
2012	\$	31,060,000	1.06%	\$ 300.54
2013		29,810,000	1.01%	283.70
2014		28,380,000	0.94%	268.22
2015		26,755,000	0.88%	246.50
2016		24,915,000	0.65%	231.27
2017		22,845,000	0.66%	211.79
2018		20,520,000	0.51%	188.05
2019		17,920,000	0.45%	164.22
2020		15,025,000	0.40%	138.35
2021		11,810,000	N/A	N/A

Sources: City of Daly City
 State of California, Department of Finance (population)

(a) See Demographic Statistics for population and personal income data.

CITY OF DALY CITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2021

2020-2021 Assessed Valuation \$ 13,829,758,602

	Total Debt 06/30/21	% Applicable (1)	City's Share of Debt 06/30/21
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
San Mateo Community College District	\$ 761,305,961	5.401%	\$ 41,118,135
South San Francisco Unified School District	163,485,887	7.527%	12,305,583
Jefferson Union High School District	265,554,630	49.670%	131,900,985
Bayshore School District	11,644,821	80.600%	9,385,726
Brisbane School District	15,356,439	15.139%	2,324,811
Jefferson School District	121,720,000	86.495%	<u>105,281,714</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>302,316,954</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
San Mateo County General Fund Obligations	\$ 640,119,345	5.401%	34,572,846
San Mateo County Board of Education Certificates of Participation	6,840,000	5.401%	369,428
San Mateo County Flood Control District Certificates of Participation	15,425,000	27.437%	4,232,157
South San Francisco Unified School District Certificates of Participation	3,185,000	7.527%	239,735
Jefferson Union H.S.D. Certificates of Participation	47,490,000	49.670%	23,588,283
City of Daly City Pension Obligation Bonds	11,810,000	100.000%	11,810,000
HUD Section 108 Loan	808,000	100.000%	808,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>75,620,449</u>
TOTAL DIRECT DEBT			12,618,000
TOTAL OVERLAPPING DEBT			<u>365,319,403</u>
COMBINED TOTAL DEBT			<u>\$ 377,937,403</u> (2)

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

<u>Ratios to 2020-21 Assessed Valuation</u>	
Total Overlapping Tax and Assessment Debt	2.19%
Total Direct Debt (\$12,618,000)	0.09%
Combined Total Debt	2.73%

Source: California Municipal Statistics, Inc.

CITY OF DALY CITY
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2021

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u><u>\$13,829,758,602</u></u>
---	--------------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u><u>\$518,615,948</u></u>
---	-----------------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (b)	\$1,880,000
Less: Revenue Bonds and Certificate of Participation not subject to limit	<u><u>1,880,000</u></u>
Amount of debt subject to limit	<u><u>0</u></u>
LEGAL BONDED DEBT MARGIN	<u><u>\$518,615,948</u></u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
(in thousand dollars)				
2012	\$ 323,750	0	\$ 323,750	0.00%
2013	327,397	0	327,397	0.00%
2014	347,987	0	347,987	0.00%
2015	366,220	0	366,220	0.00%
2016	386,948	0	386,948	0.00%
2017	408,466	0	408,466	0.00%
2018	431,408	0	431,408	0.00%
2019	479,868	0	479,868	0.00%
2020	492,637	0	492,637	0.00%
2021	515,037	0	515,037	0.00%

NOTE:

- (a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.
- (b) 2012 Water Revenue Refunding Bond

**CITY OF DALY CITY
WATER UTILITY FUND**

NUMBER OF CONNECTIONS BY USERS

AS OF JUNE 30, 2020		AS OF JUNE 30, 2021	
<u>Category</u>	<u>Number of Connections</u>	<u>Category</u>	<u>Number of Connections</u>
Residential	20,202	Residential	20,375
Multi-Family	1,821	Mulit-Family	1,852
Commercial	776	Commercial	839
City/Government	197	City/Government	256
Traveling Meter	18	Traveling Meter	64
	-		-
Total Connections	23,014	Total Connections	23,386

**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE**

	LAST TEN FISCAL YEARS				
	2012	2013	2014	2015	2016
Gross Revenues (1)	\$ 15,185,857	\$ 16,801,668	\$ 18,931,871	\$ 20,425,104	\$ 17,186,361
Operating Expenses (including depreciation) (2)	12,718,342	13,910,737	13,276,951	14,354,432	15,950,589
Depreciation	(1,257,540)	(1,263,850)	(1,261,733)	(1,255,728)	(1,274,779)
Operating Transfers Out	2,372,007	2,587,195	2,318,226	2,378,434	1,689,464
Total Operating Expenses	13,832,809	15,234,082	14,333,444	15,477,138	16,365,274
Net Revenue Available for Debt	\$ 1,353,048	\$ 1,567,586	\$ 4,598,427	\$ 4,947,966	\$ 821,087
Total Debt Service Requirement	<u>\$ 751,621</u>	<u>\$ 649,531</u>	<u>\$ 647,050</u>	<u>\$ 647,750</u>	<u>\$ 651,250</u>
Coverage	1.8	2.41	7.11	7.64	1.26

Notes:

(1) Includes all Water Utility Operating Revenue, and Nonoperating Revenue including Nonoperating Interest Income and Transfers in

(2) Includes all Water Utility Operating Expenses

(3) New utility billing software reporting number of connections in new categories

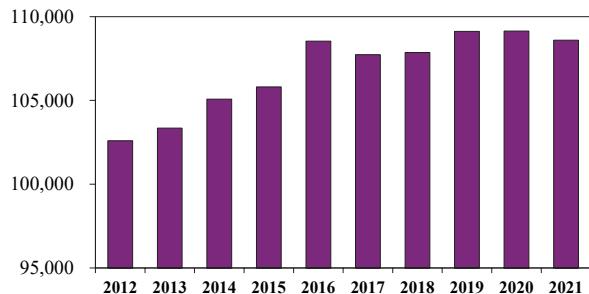
Source: City of Daly City Annual Financial Statements

**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE**

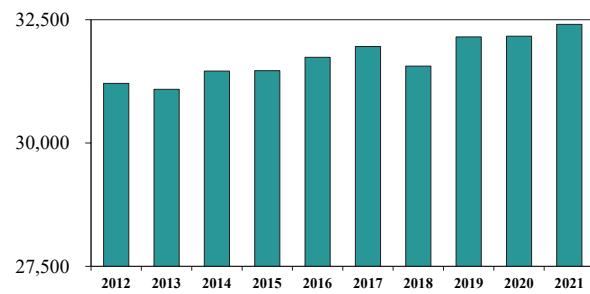
LAST TEN FISCAL YEARS

	2017	2018	2019	2020	2021
Gross Revenues (1)	\$ 17,616,918	\$ 19,230,073	\$ 21,203,909	\$ 24,118,100	\$ 24,002,397 A
Operating Expenses (including depreciation) (2)	15,337,854	17,077,870	15,891,040	17,032,815	16,733,376 B
Depreciation	(1,342,258)	(1,330,058)	(1,258,598)	(1,247,958)	(1,184,182) C
Operating Transfers Out	2,156,009	2,449,304	2,646,419	2,994,662	2,604,001 D
Total Operating Expenses	16,151,605	18,197,116	17,278,861	18,779,519	18,153,195
Net Revenue Available for Debt	<u>\$ 1,465,313</u>	<u>\$ 1,032,957</u>	<u>\$ 3,925,048</u>	<u>\$ 5,338,581</u>	<u>\$ 5,849,202</u>
Total Debt Service Requirement	<u>\$ 645,450</u>	<u>\$ 649,100</u>	<u>\$ 647,801</u>	<u>\$ 645,325</u>	<u>\$ 649,600 E</u>
Coverage	2.27	1.59	6.06	8.27	9.00

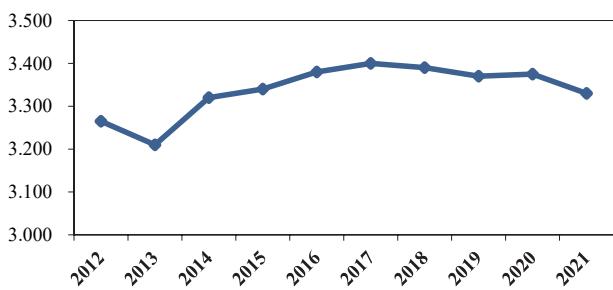
CITY OF DALY CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS



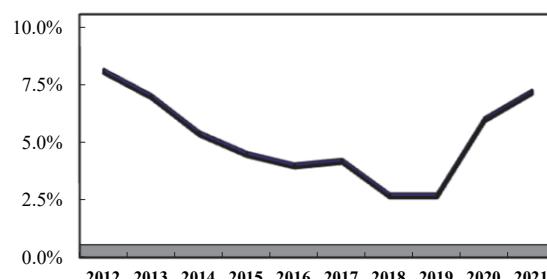
■ Daly City Population



■ Occupied Housing Units



■ Persons per Occupied Housing Unit



■ Unemployment Rate Annual Average (%)

Year	Daly City Population as of January (1)	Occupied Housing Units as of January (1)	Persons per Occupied Housing Unit (1)	Unemployment Rate Annual Average (%) (2)	Per Capita Personal Income (3)	Total Personal Income (3) (in thousands)	San Mateo County Population (1)	City Population % of County
2012	102,593	31,210	3.265	7.8%	\$ 28,649	\$ 2,939,187	729,196	14.07%
2013	103,347	31,090	3.210	6.7%	\$ 28,498	\$ 2,945,183	735,678	14.05%
2014	105,076	31,460	3.320	5.1%	\$ 28,627	\$ 3,008,011	745,193	14.10%
2015	105,810	31,468	3.340	4.2%	\$ 28,753	\$ 3,042,355	753,123	14.05%
2016	108,538	31,738	3.380	3.7%	\$ 35,320	\$ 3,833,562	765,895	14.17%
2017	107,733	31,957	3.400	3.9%	\$ 32,250	\$ 3,474,389	770,256	13.99%
2018	107,864	31,560	3.390	2.4%	\$ 37,376	\$ 4,031,525	774,155	13.93%
2019	109,122	32,151	3.370	2.4%	\$ 36,654	\$ 3,999,758	774,485	14.09%
2020	109,142	32,167	3.375	5.7%	\$ 34,284	\$ 3,741,824	773,244	14.11%
2021	108,599	32,407	3.330	6.9%	N/A	N/A	765,245	14.19%

Sources:

- (1) California State Department of Finance
- (2) California Employment Development Department
- (3) US Census Bureau

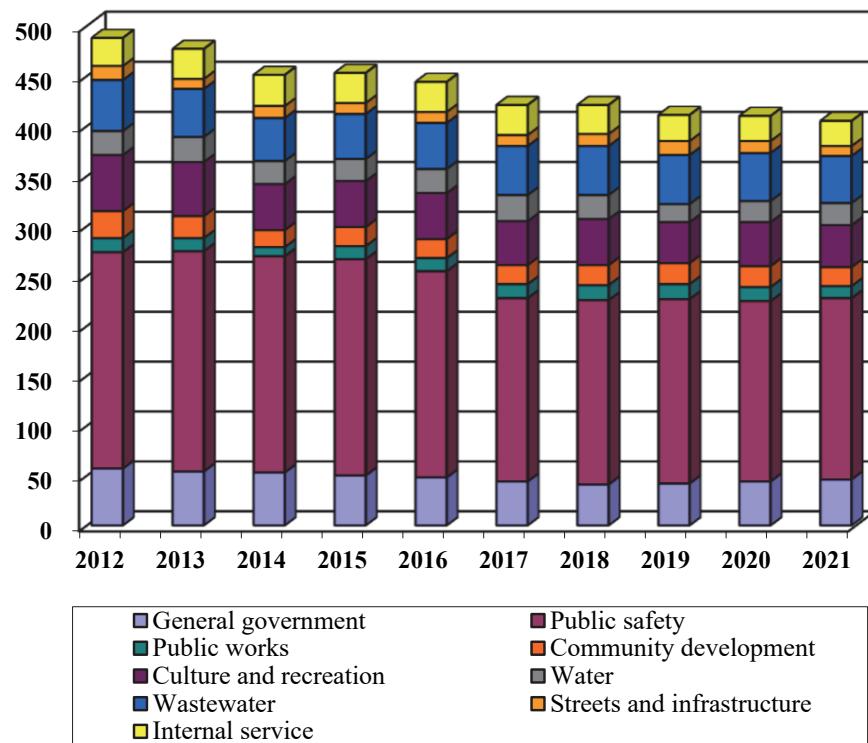
CITY OF DALY CITY
Principal Employers
Current Year and Ten Years Ago

Employer	2019-2020 (1)			2009-2010 (1)		
	Number of Employees (2)	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Seton Medical Center	1,038	1	5.6%	1,659	1	14.7%
City of Daly City	660	2	3.6%	705	2	6.3%
Jefferson Elementary School District	662	3	3.6%	584	4	5.2%
Jefferson High School District	463	4	2.5%	693	3	6.1%
Genesys Telecommunications Laboratory	451	5	2.4%	400	6	3.5%
Cow Palace	340	6	1.8%	405	5	3.6%
St. Francis Convalescent Pavilion	321	7	1.7%	203	10	
Target Stores - Serramonte	310	8	1.7%	298	7	2.6%
In-N-Out Burger (2 locations)	292	9	1.6%			
Kaiser Permanente (2 locations)	255	10	1.4%			
McDonald's (4 locations)				250	8	2.2%
Walgreens (3 locations)				227	9	2.0%
Subtotal	4,792		25.9%	5,424		48.1%
Total Daly City Employment	18,500 (2)			11,275 (3)		

Note: (1) 2020-2021 and 2010-2011 Data not available
 (2)Includes both full-time and part-time employees
 (3) Based on ABAG projections & census data
 (4) Based on 2007 Economic Census- data only updated every five years

Source: City of Daly City Economic and Community Development Department
 U.S. Bureau of Census

CITY OF DALY CITY
Full-Time City Government Employees by Function
Last Ten Fiscal Years



Source: City of Daly City



CITY OF DALY CITY
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year June 30,</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety (calendar year data)					
Fire					
Fire calls for service	7,129	7,179	7,497	7,543	8,046
Fire inspections conducted *	2,359	2,354	2,183	2,183	2,238
Police					
Police calls for service	72,665	73,095	79,999	84,417	86,688
Law violations					
Part I crimes	2,079	2,040	2,082	1,888	2,020
Part II crimes	4,745	4,641	4,685	4,899	5,040
Physical arrests (adults)	2,450	2,494	2,562	2,931	3,212
Physical arrests (juvenile)	342	352	207	218	159
Traffic violations	8,910	9,637	8,134	7,323	7,515
Parking violations	65,505	62,867	60,301	74,178	96,244
Public works					
Street repairs - asphalt patching (sq. ft.)	9,500	20,000	59,050	32,000	38,000
Street slurry seal (ft.)	64,416	87,648	59,140	46,400	78,125
Street resurfacing (ft.)	14,256	12,144	8,444	3,800	11,476
Traffic signal responses	14	10	35	116	127
Street light responses	78	54	225	281	202
Street signs replaced	450	320	455	430	305
Streets swept (miles)	21,966	25,019	25,054	25,224	25,305
Line striping and curb painting (linear ft.)	10,778	12,000	5,600	5,800	4,800
Sidewalks inspected (miles)	0	0	0	0	0
Culture and recreation					
Recreation					
Recreation class participants	10,621	10,862	13,075	14,000	14,800
Youth recreation program participants	4,251	4,472	5,002	4,657	5,814
Volunteer support hours	60,667	63,753	82,475	63,597	68,085
Senior meals served	26,305	32,971	24,700	35,749	40,942
Number of health fair events	1	1	2	2	2
Health fair events attendance	300	400	800	800	800
Facility rentals (non City events)	1,252	1,300	1,000	956	981
Library					
Volumes in collection - all formats	215,373	214,466	220,123	220,123	224,431
Total volumes borrowed	533,135	501,757	480,349	480,349	457,642
# of uses of electronic resources	81,318	66,982	60,374	60,413	58,284
Youth services program attendance	17,624	16,025	13,194	16,025	18,967
Water					
Water service connections	22,868	22,921	22,910	22,936	22,964
Water main breaks	79	98	86	95	64
Average daily consumption (thousands of gallons)	6,868	7,142	6,571	5,933	6,220
Wastewater					
Storm drain inlets	n/a	n/a	n/a	n/a	2,181
Sewer service connections	22,946	22,942	22,942	22,995	22,965
Sewer main blockages	1	1	3	3	2
Average daily treatment (thousands of gallons)	6,500	6,290	6,940	6,382	5,510

Source: City of Daly City

Note: n/a denotes information not available.

* Fiscal years 2012 - 2018 restated to include Daly City only

**Increase in e-book catalog due to COVID-19 restrictions

***Due to COVID-19 restrictions, many classes and events were canceled, virtual or modified in person

CITY OF DALY CITY
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year June 30,</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety (previous calendar year data)					
Fire					
Fire calls for service	8,204	7,678	8,580	7,426	8,281
Fire inspections conducted*	2,310	2,373	2,552	1,712	1,647
Police					
Police calls for service	82,376	71,520	73,291	76,880	58,791
Law violations					
Part I crimes	1,890	1,818	1,779	2,110	2,338
Part II crimes	4,774	4,523	4,182	3,306	3,641
Physical arrests (adults)	3,054	2,531	2,427	2,459	1,616
Physical arrests (juvenile)	160	213	168	141	47
Traffic violations	6,858	4,212	4,410	6,026	2,448
Parking violations	109,025	117,604	109,526	87,238	85,576
Public works					
Street repairs - asphalt patching (sq. ft.)	87,780	110,546	217,615	320,000	36,543
Street slurry seal (linear ft.)	71,517	52,535	73,894	85,008	77,616
Street resurfacing (linear ft.)	0	3,451	0	5,195	8,124
Traffic signal responses	105	131	130	126	131
Street light responses	214	292	186	188	256
Street signs replaced	950	2,175	600	476	350
Streets swept (miles)	25,260	25,460	25,260	25,320	21,100
Line striping and curb painting (linear ft.)	47,250	21,117	43,311	51,985	52,592
Sidewalks inspected (miles)	0	1	1	1	1
Culture and recreation					
Recreation***					
Recreation class participants	15,000	16,000	15,500	9,378	2,060
Youth recreation program participants	5,335	3,472	5,139	2,948	790
Volunteer support hours	64,359	55,693	46,480	32,784	786
Senior meals served	38,027	35,463	35,707	34,356	33,810
Number of health fair events	2	2	4	0	0
Health fair events attendance	800	800	800	0	0
Facility rentals (non City events)	976	1,042	955	674	44
Library					
Volumes in collection - all formats**	226,238	228,264	227,245	489,720	466,267
Total volumes borrowed	400,368	368,428	392,978	299,586	202,477
# of uses of electronic resources	37,568	40,240	49,107	43,887	60,345
Youth services program attendance	18,967	17,429	17,503	6,578	3,080
Water					
Water service connections	22,983	23,269	23,133	23,140	23,131
Water main breaks	70	50	88	75	103
Average daily consumption (thousands of gallons)	6,220	5,533	5,575	6,150	5,665
Wastewater					
Storm drain inlets	2,181	2,181	2,181	2,181	2,181
Sewer service connections	22,965	23,141	23,394	23,350	23,368
Sewer main blockages	2	4	2	3	5
Average daily treatment (thousands of gallons)	5,500	5,500	5,500	5,800	5,007

CITY OF DALY CITY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year June 30,				
	2012	2013	2014	2015	2016
Public safety					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	30	32	31	31	31
Public works					
Miles of streets	112	112	112	112	112
Street lights	3,200	3,200	3,200	3,200	3,200
Traffic signals (# of intersections)	40	40	40	40	40
Miles of storm drains	70	70	70	70	70
Culture and recreation					
Parks and recreation					
City parks	19	19	19	19	19
City parks acreage	200	200	200	200	200
Park trees	2,400	2,300	2,300	4,144	4,135
Playgrounds	26	26	26	26	26
Picnic areas	23	23	23	23	23
Tot lots	7	7	7	7	7
Dog off-leash areas	2	2	2	2	2
Street landscaped medians (miles)	21	21	21	21	21
Roadway landscaping acreage	500	500	500	500	500
Street trees	2,700	2,675	2,675	3,067	3,048
Community centers and clubhouses	12	12	12	12	12
Senior centers	1	1	1	1	1
Gymnasiums	4	4	3	3	3
Tennis courts	9	9	9	9	9
Artificial turf sports fields	1	1	1	1	1
Outdoor basketball courts	15	15	15	15	15
Baseball/softball diamonds	8	8	8	8	8
Soccer/football fields	1	1	1	1	1
Night sport lighted facilities	9	6	6	6	6
Library					
City Libraries (# of branches)	4	4	4	4	4
Water					
Miles of water mains	187	187	187	187	187
Fire hydrants	1,497	1,497	1,497	1,497	1,497
Storage capacity (thousands of gallons)	24,490	24,490	24,490	23,512	23,512
Wastewater					
Number of treatment plants	1	1	1	1	1
Miles of sanitary sewers	177	177	177	177	177
Miles of combined sewers	14	14	14	14	14
Treatment capacity (thousands of gallons)					
Dry weather	8,000	8,000	8,000	8,000	8,000
Wet weather	25,000	25,000	25,000	25,000	25,000

Source: City of Daly City

Note:

(1) In FY 2014-15, the City completed a digitized inventory of all City owned street trees as well as in City parks with updated numbers

CITY OF DALY CITY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year June 30,				
	2017	2018	2019	2020	2021
Public safety					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	32	31	31	31	32
Public works					
Miles of streets	112	112	112	112	112
Street lights	3,200	3,563	3,574	3,402	3,678
Traffic signals (# of intersections)	40	41	41	41	42
Miles of storm drains	70	70	70	70	70
Culture and recreation					
Parks and recreation					
City parks	19	19	18	18	18
City parks acreage	200	200	200	200	200
Park trees	3,655	3,655	3,865	3,865	3,862
Playgrounds	26	26	26	26	26
Picnic areas	23	23	23	23	23
Tot lots	7	7	7	7	7
Dog off-leash areas	2	2	2	2	2
Street landscaped medians (miles)	21	21	21	21	21
Roadway landscaping acreage	500	500	500	500	500
Street trees	3,598	3,598	3,190	3,196	4,043
Community centers and clubhouses	12	12	11	11	11
Senior centers	1	1	1	1	1
Gymnasiums	3	3	3	4	4
Tennis courts	9	9	10	10	10
Artificial turf sports fields	1	1	1	1	1
Outdoor basketball courts	15	15	15	15	15
Baseball/softball diamonds	8	8	8	8	8
Soccer/football fields	1	1	1	1	1
Night sport lighted facilities	6	6	6	6	6
Library					
City Libraries (# of branches)	4	4	4	4	4
Water					
Miles of water mains	199	199	199	199	199
Fire hydrants	1,505	1,505	1,505	1,505	1,505
Storage capacity (thousands of gallons)	23,512	23,512	23,512	23,512	23,512
Wastewater					
Number of treatment plants	1	1	1	1	1
Miles of sanitary sewers	177	177	180	180	180
Miles of combined sewers	14	14	17	17	17
Treatment capacity (thousands of gallons)					
Dry weather	8,000	8,000	7,500	7,500	7,500
Wet weather	19,000	19,000	19,000	19,000	19,000

