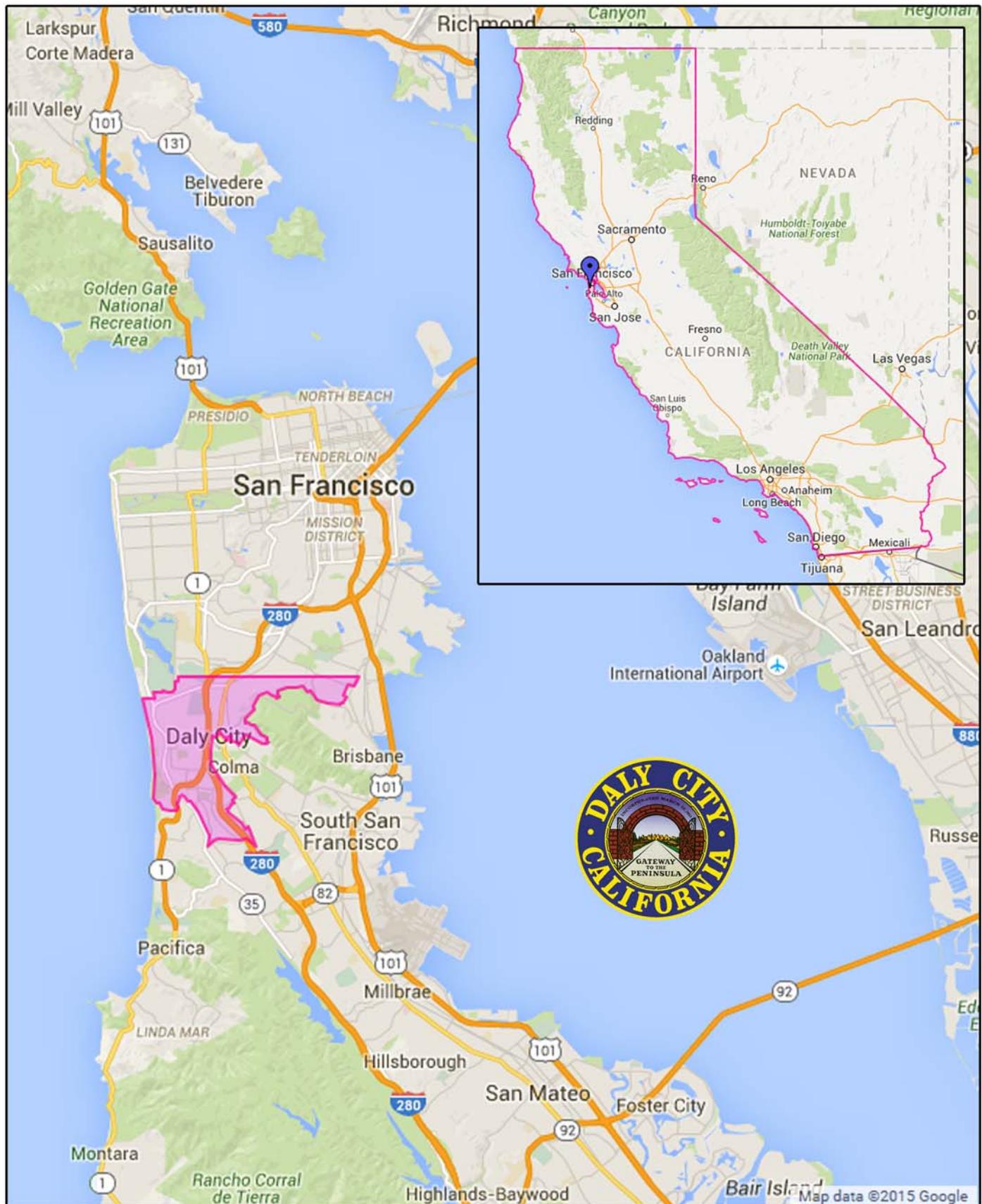




City of Daly City, California



**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**



CITY OF DALY CITY, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023



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 21, 2023

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, 2023. 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. Since 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 101,471. Daly City is an urbanized, coastal community located at the northern edge of San Mateo County, comprising approximately 7.66 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 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 annual 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 complete 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 operates a water utility and a sanitary sewer district. 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, the Daly City Housing Development Finance Agency, and the Daly City Joint Powers Financing Authority. 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, Agency, and Authority. 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 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 meetings. 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 budget cycle. Departments are responsible for managing within the

City Council appropriated budget. Budget amendments are often necessary due to changes in economic conditions and other circumstances occurring during the fiscal year.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Indicators

According to the Federal Open Market Committee, United States GDP in 2023 is expected to grow 2.1% while the GDP increased in 2022 by 0.9%, compared to -5.7% in 2021 and -1.5% in 2020. Although the increased growth rate is an improvement over the negative growth rates resulting from the COVID-19 pandemic, the lower growth rates still reflect a possible future recession. Also due to the pandemic, California unemployment hit a record high of 16.4% in May 2020 and then reached a new low of 3.4% in May of 2022 as the State recovered. However, the return to low unemployment may not last as the Federal Reserve increases interest rates in response to rising inflation. As of October 2023, the unemployment rate has remained steady at 3.9%. The greatest risks to the forecast of the U.S. economy stem from concerns over inflation, rising interest rates, and supply concerns for both labor and housing. The current tightening of monetary policies affecting financial and credit conditions will also weigh on economic activity, hiring, and inflation.

In California, especially in the San Francisco Bay Area, housing prices continue to be increasingly expensive and unaffordable, particularly for first time homebuyers, given the limited availability. The U.S. Home Price Growth on a year-over-year basis as measured by the Case-Shiller 20-City Composite Home Price Index increased slightly with .97% increase in July 2023, compared with a 15.7% increase in July 2022. 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 2023 increased by \$6.1 million to \$118.8 million. The revenue increase is made up of some revenue increases and some decreases among the various General Fund sources. The City saw revenue increases in property tax and sales tax revenues of about \$4.9 million, in the utility users tax; due to rising energy costs in FY 2023, and through the recognition of \$6.2 in one-time American Rescue Plan Act (ARPA) funds. General Fund expenditures increased by \$4.1 million to \$110.8 million in FY 2023, the majority of which was due to salary and benefit increases resulting from cost of living raises. Although the City budgeted at a deficit for FY 2023, the General Fund resulted in a surplus because of savings from a large number of vacant staff positions.

Enterprise Funds

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

Revenues for the Water Utility Fund increased by \$2.2 million to \$28.4 million in FY 2023 mainly due to an annual water rate increase of 9.5%. Expenses increased \$4 million to \$19.2 million in FY 2023 reflecting an increase in the net pension and OPEB liabilities for the Water Utility Fund and cost of living salary increases for employees.

The Sanitation District Fund operating revenues increased by \$1.5 million to \$25.2 million in FY 2023 due to an annual 9% increase in sewer rates. Operating expenses increased by \$9.7 million to \$30.6 million in FY 2023 also reflecting an increase in the net pension and OPEB liabilities for the Sewer Enterprise Fund and cost of living salary increase for employees.

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 within the ten-year forecast are outside the City's control. This includes changes in the national and local economy; federal and state legislation; and CalPERS actuarial assumptions, 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 Reserve 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.

2. Identify other potential sources of 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 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 added a transaction and use tax of one-half cent to the total sales tax rate as of April 2021. The City will continue to identify other potential sources of new revenue and evaluate City fees to ensure cost recovery of services provided.

3. Promote economic development and business expansion. While Daly City is largely built out, there are still some development opportunities, including one on a former Daly City Redevelopment Agency parcel. If realized, these new developments will generate new sales, property, business license, and transient occupancy taxes. 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). 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 continued to contribute to this Program in FY 2023.

In May 2017, the City Council also authorized participation in 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 and capital improvement plan. In 2017, the Public Works Department started the 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.

Since then, the Public Works Department has completed the ADA Self Evaluation and Transition Plan, the Parks and Open Space Master Plan, the update to the City's Pavement Management System Report, and the Pedestrian and Bicycle Master Plan. 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 2023, 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 while implementing a variety of new programs and policies. Aside from the typical permit issuance and building inspections, the Building Division improved customer service by creating a new online permitting portal for "quick" permits and permits for photovoltaic installations. The Planning Division worked on the preparation of the Housing Element, which is a plan to build over 4,200 housing units to meet the region's housing needs. A new zoning district for the Mission Street and Geneva Avenue corridors was created to encourage higher density housing and economic development along those important corridors. Economic Development staff have implemented a Legacy Business Program to celebrate local businesses that have local relevance to the community. Additionally, the Economic Development staff worked towards renewing a partnership with the Daly City Chamber of Commerce. 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. The Housing Division has also confirmed funding and secured a site to establish a low-income daycare facility on City property. Many significant construction projects initiated and/or continued construction, including a redevelopment of the Saint Francis Square Shopping Center, faculty housing at M. Pauline Brown Elementary School, and affordable housing at Midway Village.

Library and Recreation Services

The Department of Library and Recreation Services continued to move forward with their "new normal".

The Recreation Division offered rental facilities so the Daly City community could reserve spaces for personal gatherings and events and were able to secure 569 rentals. The Afterschool Youth Recreation Program served 1,338 participants at five school locations, while the Summer Youth Recreation Program served over 1,178 youth at four recreation locations. The senior lunch program continued providing five (5) home-cooked meals with all the components to qualify for the San Mateo County Congregate Meal Program. Through the Second Course, and in-person programs at three locations, the senior services unit was able to serve over 46,336 meals to those in need. Our athletic leagues and programs, such as Youth Basketball, Mini Hoops and Youth Clinics, were

modified to serve our participants in a safe and meaningful way and served over 1,537 participants. We were able to provide our city-wide events, both cultural and specialized “in-person” to the community, including Latino Heritage Month, Kasayahan Sa Daly City, Trunk or Treat, Frosty Fest, Black History Celebration and Spring Fun Day events, sharing happiness with over 7,607 youth and their families. Our contract instructors provided in-person, fitness-focused enrichment classes to our Daly City community, serving over 16,107 participants. Over 194 volunteers and volunteers were welcomed back as well and accumulated over 26,752 hours of volunteer/volunteer service.

With all four facilities open to the public in FY 2023, the Library Division counted 177,401 visits to our Libraries, an increase of over 30% from the previous year. Improved open hours introduced last year no doubt contributed to this increase. Circulation of physical materials was 354,227, higher than the prior year but lower than before the pandemic. Circulation of electronic materials continued to increase with a total of 84,821. State-wide initiatives such as the Palace Project eBook collection, Brainfuse Live Homework Help, and Career Pathways workforce development platforms greatly expanded the online resources the Library was able to make available to the community. Having transitioned from virtual programs back to in-person programs in May 2022, the Library provided 564 in-person programs during the year with a total attendance of 17,420.

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. NCFA provided high quality Basic Life Support and Advanced Life Support assessment and treatment interventions to emergency medical incidents utilizing our paramedic fire engines and truck companies, in which over half of total EMS calls benefited and served senior citizens. NCFA achieved an average response time of 5 minutes and 36 seconds for on scene arrival of a first due fire company 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, additionally completed a fire “cause and origin” analysis and investigation for all fire incidents. Further, NCFA completed annual mandated and required fire and life safety code compliance inspections covering all business, multi-family and permitted occupancies. NCFA presented throughout the year Emergency Preparedness, Individual and Family Preparedness seminars, as well as Community Emergency Response Team (CERT) classes. Additionally, “Hands Only CPR”, “Stop the Bleed and Choking” was presented to the public through numerous events and venues. NCFA provided fire engine companies and chief officers to multiple major wildfire incidents throughout the State of California.

Police Department

The Daly City Police Department maintains our commitment towards service-based policing, often leading the industry in community engagement, policing tactics, and policy adaptation. We continue to participate in local and regional task forces focused on drug, vehicle theft, and gang prevention. We are partnered with local agencies in a Multidisciplinary Accident Investigation Team (MAIT), sharing resources during complex collision investigations. We remain committed to our supportive partnerships with the Community Overcoming Relationship Abuse (CORA), the Homeless Outreach Team (HOT), and other County entities providing invaluable services to our community.

We continue to support community trust through transparency by equipping officers with body and vehicle cameras, and by ensuring progressive policy adaptation. We are compliant with the Racial and Identity Profiling Act (RIPA – AB953, 2015), a requirement for our agency which began in 2022, and we are successfully uploading new reporting requirements through the California Based Incident Reporting System (CIBRS). We have further prioritized community engagement by increasing our community team, our social media presence, and our event participation.

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, misconduct and promoting officer health and wellbeing for improved community relationships. Our Mental Health Clinician continues to be a vital asset to the community and the department alike. This relationship has ensured a well-versed response to community needs, and it has developed the abilities of officers towards a compassionate approach to those experiencing a mental health crisis. This co-response model has supported de-escalation and a more holistic outcome.

Public Works Department

The Public Works Department completed several capital improvement projects and continued to provide routine services to the public such as street sweeping, traffic signal and street light maintenance, equipment and vehicle maintenance, facility maintenance, park maintenance and litter and debris removal. The Department continues to focus on preventative measures to maintain and maximize the useful lifespan of City owned assets such as City vehicles, equipment, facilities, and infrastructure.

Some completed projects by the Public Works Department include: the Outdoor Fitness Courts at Westlake Park and Lincoln Park, Mission Street Streetscape Project, 2019 Mussel Rock Gabion Wall and Stormwater Project, 2019 Daly City Street Resurfacing and Slurry Seal Project, Central Corridor Project, Civic Center South Roof Rehabilitation Project, Polaris Park Rehabilitation Project, and Community Development Block Grant ADA/Sidewalk Improvements Project. Construction also began on DC the ADA, Sidewalk, and Parking Lot Improvements Project, 2021-22 and 2022-23 Street

Resurfacing Project, Southgate Avenue and School Street Safety Improvements Project, 2020-21 Street Resurfacing Project, Fire Station 91 Roof Replacement Project, and Bayshore Community Center Generator Project.

The Public Works Department also continues to seek grant funds for the City and was successful in securing additional funds for the Westmoor Ave and Westridge Ave Intersections Quick Build Projects, Mussel Rock Upper Disposal Area Waste Pullback Project, Southgate Avenue and School Street Safety Improvements Project, Lake Merced Boulevard Lane Reconfiguration and Bicycle Projection Project, Vision Zero design standards project, Safe Route to School Project, and Daly City 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 drinking 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 (SFPUC), the County of San Mateo, Caltrans, the Olympic Club, and many others to secure funding contributions in anticipation of a bid date in 2024 and construction start date in 2025.

A significant initiative this last year was the development of Master Plans for the Water Distribution System, Wastewater Collection System, and the Wastewater Treatment Facility. These plans will guide the Capital Program over the next 10 years and direct the investment of millions of dollars in critical new infrastructure. Drinking water projects continued to be of the highest priority and groundwater pumping projects were a large part of the Capital Program this year. Treatment modifications to the Westlake Pump Station to accommodate additional groundwater from new wells in Daly City was substantially completed while a new drinking water well located at Margate Street was approved, designed, and initiated. At two other groundwater wells the pumps, motors, casings, and associated equipment were replaced providing greater reliability of our water resources. Additionally, significant capital improvements were made at the North San Mateo County Sanitation District Wastewater Treatment and Collection Facilities such as rehabilitation of the Primary Clarifiers, replacement of carbon media in the plant air scrubbers, upgrades to the electrical and control systems, and replacement of a chemical tank. Lastly, the City Council initiated and authorized the creation of a Water Rate Assistance Program to offer financial help to low-income ratepayers in managing their water bills.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Daly City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 36th consecutive year that the City of Daly City has received this prestigious award.

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.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Comprehensive Operating and Capital Budget for FY 2023. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

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,



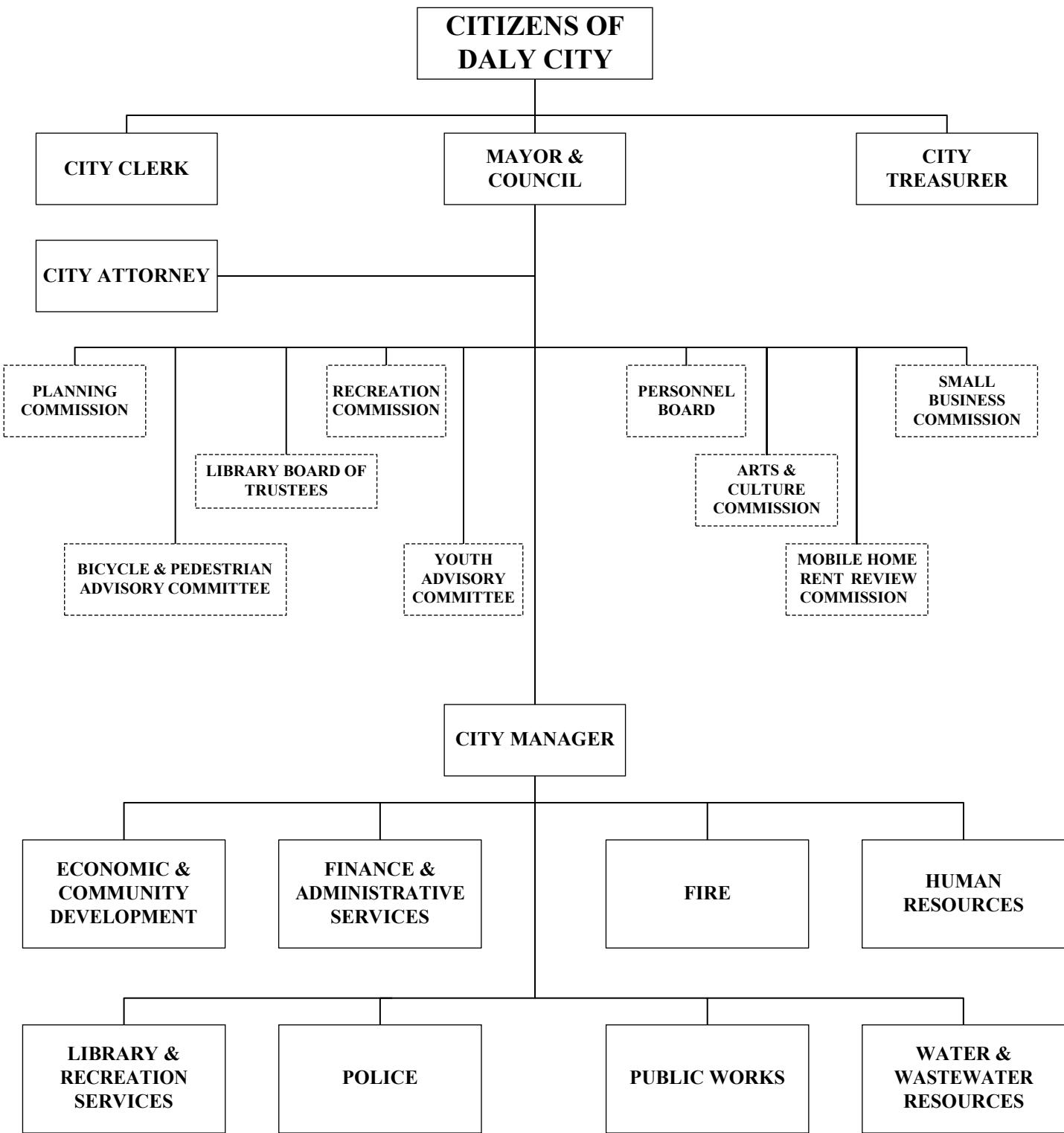
Thomas J. Piccolotti
City Manager



Timothy J. Nevin
Director of Finance and
Administrative Services



CITY OF DALY CITY ORGANIZATIONAL STRUCTURE FISCAL YEAR 2023



**CITY OF DALY CITY
CITY COUNCIL
JUNE 30, 2023**

Raymond A. Buenaventura, Mayor

Juslyn C. Manalo, Vice Mayor

Glenn R. Sylvester

Pamela DiGiovanni

Dr. Rod Daus-Magbual

K. Annette Hipona
City Clerk

Daneca Halvorson
City Treasurer

ADMINISTRATION AND DEPARTMENT HEADS

Thomas J. Piccolotti	City Manager
Rose Zimmerman	City Attorney
Richard Chiu Jr.	Director of Public Works
Cameron Christensen	Acting Police Chief
Timothy Nevin	Director of Finance and Administrative Services
Tatum Mothershead	Director of Economic & Community Development
Ron Myers	Fire Chief
Joshua A. Cosgrove	Director of Water & Wastewater Resources
Natalie Sakkal	Director of Human Resources



Government Finance Officers Association

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

Presented to

**City of Daly City
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Monill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Daly City, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements*, which became effective during the year ended June 30, 2023 and required the restatement of certain balances as discussed in Note 12E to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maye & Associates". The signature is fluid and cursive, with "Maye" on the first line and "& Associates" on the second line.

Pleasant Hill, California
December 20, 2023

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, 2023.

FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

- As of June 30, 2023, net position totaled \$200.3 million, an increase of \$24.7 million from the prior year total of \$175.6 million for both Governmental and Business-Type activities.
- Net Position of governmental activities in Fiscal Year (FY) 2023 was \$78.2 million compared to \$63.1 million in FY 2022, an increase of \$15.1 million.
- Net Pension and OPEB Liabilities of governmental activities increased by \$91.5 million to \$234.4 million in FY 2023 from \$142.8 million in FY 2022.
- Net Position of business-type activities in FY 2023 was \$122.1 million compared to \$112.5 million in FY 2022, an increase of \$9.6 million.
- Net Pension and OPEB Liabilities of business-type activities increased by \$7.3 million to \$18 million in FY 2023 from \$10.7 million in FY 2022.
- In FY 2023, total City revenues, including program and general revenues, were \$199.7 million, while total expenses were \$175 million.
- Governmental activities program revenues were \$37.9 million in FY 2023 compared with \$41.7 million in FY 2022. Business-type activities program revenues were \$56.4 million in FY 2023 compared with \$53.1 million in FY 2022.
- Governmental activities general revenues were \$100.9 million in FY 2023 compared with \$85.8 million in FY 2022, an increase of \$15.1 million over the prior year. Part of this is \$4.9 million in additional revenues from property taxes and sales taxes, showing a return to more normal growth rates for these revenues following the COVID-19 pandemic. In addition, there was an increase in the utility users tax due to increasing energy costs in FY 2023, and an improvement in investment income of almost \$8.1 million. Business-type activities general revenues were \$4.5 million in FY 2023, an increase of \$2.9 million over the prior year primarily due to an improvement in investment income.
- Unrestricted net position of governmental funds changed from negative (\$74.5) million in FY 2022 to negative (\$64) million in FY 2023, primarily due to an increase in total assets of \$15.6 million, made up of increases in cash and investments and capital assets.

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 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	
	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 183,170	\$ 170,326	\$ 63,372	\$ 55,221	\$ 246,542	\$ 225,547
Other assets	41,317	42,762	20,600	20,738	61,917	63,500
Capital assets	102,148	97,984	66,266	67,334	168,414	165,318
Total assets	326,635	311,072	150,238	143,293	476,874	454,365
Deferred outflows of resources	65,979	30,217	5,173	2,362	71,152	32,579
Long-term debt	7,243	9,956	1,197	2,090	8,440	12,046
Net pension & OPEB liabilities	234,369	142,830	18,030	10,718	252,399	153,548
Other liabilities	60,892	58,946	5,415	6,227	66,307	65,173
Total liabilities	302,504	211,732	24,642	19,035	327,146	230,767
Deferred inflows of resources	11,928	66,438	8,672	14,145	20,600	80,583
Net assets (net position):						
Net investment in capital assets	96,664	96,249	65,069	65,245	161,733	161,494
Restricted	45,537	41,352	2,443	1,887	47,980	43,239
Unrestricted	(64,019)	(74,482)	54,585	45,343	(9,434)	(29,139)
Total net assets (net position)	\$ 78,182	\$ 63,119	\$ 122,097	\$ 112,475	\$ 200,279	\$ 175,594

Governmental Activities

The City's net position from governmental activities increased from \$63.1 million in FY 2022 to \$78.2 million in FY 2023. The increase in the Net Position reflected in the Statement of Activities, is also shown in Table 1. Increases and decreases of individual assets and liabilities include:

- Governmental cash and investments increased \$12.8 million from \$170.3 million in FY 2022 to \$183.2 million in FY 2023. The City's net position in cash and investments increased partly because of a steady increase in governmental revenues including property taxes (\$3.3 million), sales taxes (\$1.6 million), and utility users taxes (\$1.7 million), which increased due to rising energy costs. The other portion of that increase is due to the change in investment earnings, which went from negative (\$4.6) million in FY 2022 to an increase of \$3.5 million in FY 2023, as the financial markets rebounded to positive returns.

- Also on the asset side, capital assets increased in FY 2023 to \$102.2 million from \$98 million in FY 2022. This is mostly due to the implementation of GASB 96 in FY 2023. Within the City's governmental activities, the City estimates the value of the subscription-based information technology arrangement assets to be \$ 4.2 million.
- In FY 2023, liabilities also increased significantly by \$90.8 million. This is due to an increase in the City's net pension and OPEB liabilities, which went from \$142.8 million in FY 2022, a large decrease for that year, to \$234.4 million in FY 2023. For the year ending June 30, 2023, the market value for the City's pension fund and OPEB trust account decreased significantly as they reflected the negative market returns for the year ending June 30, 2022, the year used to calculate net pension and OPEB liabilities for FY 2023.
- The restricted net position increased \$4.2 million, and the unrestricted net position improved by \$10.5 million from negative (\$74.5) million in FY 2022 to negative (\$64) million in FY 2023. 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. The unrestricted net position improved in FY 2023 because of the increase in cash and investments (\$12.8 million) and the increase in capital assets (\$4.2 million).

Business-type Activities

The net position of business-type activities increased \$9.6 million to a total of \$122.1 million in FY 2023 from \$112.5 million in FY 2022. Increases and decreases of individual assets and liabilities are as follows:

- Cash and investments increased \$8.2 million in FY 2023 due to a few different factors. The Water Utility revenues did increase \$2.2 million in FY 2023 because of a 9.5% water rate increase. In addition, the Sanitation District revenues increased about \$1.5 million in FY 2023 due to a 9% increase in sanitary sewer rates even as water usage decreased. Investment income also went up for both utilities adding \$2.4 million to the total given the strong financial market returns in FY 2023. Finally, the Sanitation District continued to receive grant revenues in FY 2023 that added to the cash balance including revenues from the Water and Wastewater Arrearage Payment Program funded by the American Rescue Plan Act.
- Liabilities also increased in FY 2023 by \$5.6 million from \$19 million in FY 2022 to \$24.6 million in FY 2023. Similar to governmental activities, the increase is due to a \$7.3 million increase in net pension and OPEB liabilities. For the year ending June 30, 2023, the market value for the City's pension fund and OPEB trust account decreased significantly as they reflected the negative market returns for the year ending June 30, 2022, the year used to calculate net pension and OPEB liabilities for FY 2023. The increase was slightly offset by a continuing reduction in long term debt and other liabilities.

- Overall, the unrestricted net position improved \$9.2 million ending at \$54.6 million in FY 2023. The unrestricted net position increased in FY 2023 because of the increases in cash and investments resulting mostly from the rate increases approved for the year by both the Water Utility and the Sanitation District.

Changes in Net Position

Total governmental activities revenue in FY 2023 amounted to \$138.8 million compared to \$127.5 million in FY 2022, an increase of \$11.3 million in FY 2023 due to a variety of factors. This includes increases in both property taxes and sales taxes as the City's main revenue sources returned to more normal growth rates following the pandemic. The increase also includes an increase in the utility users tax, based on the increase in energy costs in FY 2023, and \$6.3 million in American Rescue Plan Act funding that the City recognized during the fiscal year. Governmental expenses increased by \$13 million in FY 2023 mostly due to newly negotiated cost of living raises for employees that went into effect during the fiscal year.

Total business-type activities revenues increased \$6.3 million in FY 2023 due to an increase in water utility rate revenues, sanitary sewer rate revenues, an increase in investment income, and operating grants and contributions. The expenses increased \$12.8 million due to an increase in the net pension and OPEB liability for FY 2023 and negotiated cost of living raises for employees.

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

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 14,874	\$ 15,940	\$ 54,342	\$ 50,951	\$ 69,216	\$ 66,891
Operating grants & contributions	16,099	18,039	2,063	2,119	18,162	20,158
Capital grants & contributions	6,953	7,697	-	-	6,953	7,697
Total program revenues	<u>37,926</u>	<u>41,676</u>	<u>56,405</u>	<u>53,070</u>	<u>94,331</u>	<u>94,746</u>
General revenues:						
Property tax	48,895	45,611	2,620	2,416	51,515	48,027
Sales tax	25,775	24,157	-	-	25,775	24,157
Other taxes & franchise fees	20,219	18,505	-	-	20,219	18,505
Investments earnings	3,530	(4,574)	1,067	(1,375)	4,597	(5,949)
Other	2,454	2,093	818	519	3,272	2,612
Total general revenues	<u>100,873</u>	<u>85,792</u>	<u>4,505</u>	<u>1,560</u>	<u>105,378</u>	<u>87,352</u>
Total revenues	<u>138,799</u>	<u>127,468</u>	<u>60,910</u>	<u>54,630</u>	<u>199,709</u>	<u>182,098</u>
Expenses:						
General government	14,303	14,340	-	-	14,303	14,340
Public safety	70,765	58,798	-	-	70,765	58,798
Public works	15,856	16,153	-	-	15,856	16,153
Culture & recreation	16,743	14,580	-	-	16,743	14,580
Economic & community development	6,884	7,501	-	-	6,884	7,501
Interest on long-term debt	579	729	-	-	579	729
Water utility	-	-	18,875	15,285	18,875	15,285
Sewer	-	-	30,021	20,833	30,021	20,833
Civic center	-	-	998	935	998	935
Transfer station	-	-	-	-	-	-
Total expenses	<u>125,130</u>	<u>112,101</u>	<u>49,894</u>	<u>37,053</u>	<u>175,024</u>	<u>149,154</u>
Increase (decrease) in net assets /net position before transfers	13,669	15,367	11,016	17,577	24,685	32,944
Transfers	1,394	2,575	(1,394)	(2,575)	-	-
Increase in net assets / net position	<u>15,063</u>	<u>17,942</u>	<u>9,622</u>	<u>15,002</u>	<u>24,685</u>	<u>32,944</u>
Net assets / net position, July 1	<u>63,119</u>	<u>45,177</u>	<u>112,475</u>	<u>97,473</u>	<u>175,594</u>	<u>142,650</u>
Net assets / net position, June 30	\$ 78,182	\$ 63,119	\$122,097	\$ 112,475	\$ 200,279	\$ 175,594

Governmental Activities

Table 3 splits the revenues of the City's governmental programs into five main areas. Table 4 splits the expenses of the governmental programs into six main areas. The distributions correspond to the programs in the Statement of Activities in which the total Change in Net Position, defined as total program cost less the revenues generated by those specific activities, is negative \$(87.2) million.

Table 3
Governmental Activities - Revenues
For the Year Ended June 30, 2023
(in thousands)

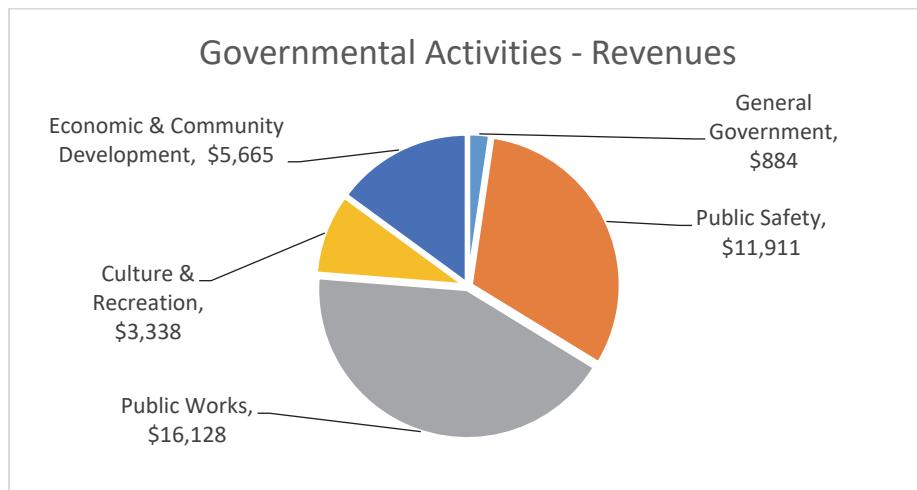
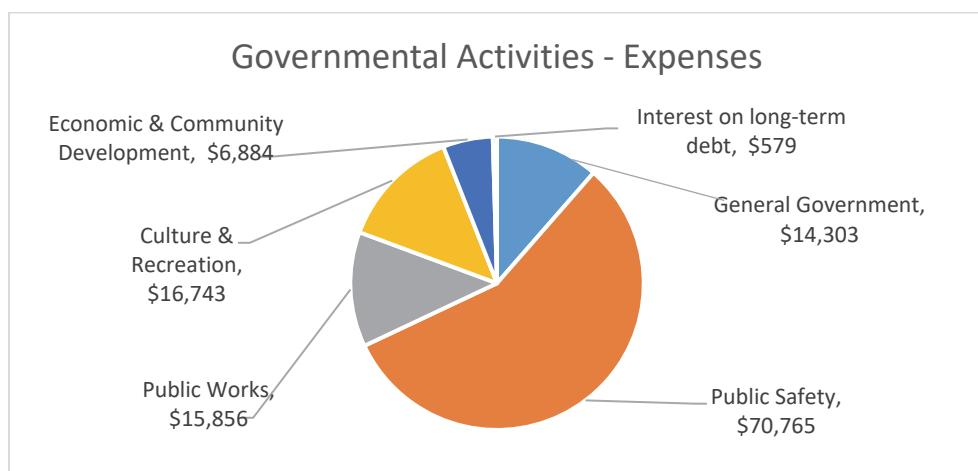


Table 4
Governmental Activities - Expenses
For the Year Ended June 30, 2023
(in thousands)



THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

At June 30, 2023, the City's major governmental funds consisted of the General Fund, Gas Tax Fund, Grants Fund, Measures A and W 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 increased \$8.2 million to \$78.2 million in FY 2023 compared to \$70.1 million in FY 2022.

General Fund revenues for FY 2023 increased by \$6.1 million to \$118.8 million from \$112.7 million in FY 2022 due to several factors. To begin, the City recognized \$6.3 million in one-time American Rescue Plan Act funds during FY 2023 and saw an increase in its net investment income. Additionally, property tax and sales tax revenues increased by about 7% each, with property taxes going from \$45.6 million in FY 2022 to \$48.9 million in FY 2023 and sales tax revenues going from \$24.2 million in FY 2022 to \$25.8 million in FY 2023. At the same time, decreases in some General Fund revenues offset the bigger increases. General Fund expenditures increased by \$4.1 million to \$110.8 million in FY 2023 reflecting additional increases in salaries and benefits in accordance with adopted memoranda of understanding. Although the General Fund showed an increase in expenditures, the expenditures were \$14.4 million lower than the budget of \$125.1 million. This is primarily due to salary savings within the Police Department and other General Fund departments where the City has seen a high number of vacant positions.

In FY 2023, the Gas Tax Special Revenue Fund total fund balance decreased slightly to \$8.7 million as revenues closely matched expenses. 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 expenditures as laid out in the multi-year capital improvement plan. However, the fund balance in the Measures A and W Fund did increase from \$9.1 million in FY 2022 to \$11.4 million in FY 2023 as both funds brought in healthy revenues this fiscal year.

The Capital Projects Fund total fund balance increased \$1.9 million in FY 2023 to \$29 million compared to \$27.1 million in FY 2022. This fund is designated for specific capital projects that will benefit the community. Capital Projects Fund revenues increased \$2.6 million in FY 2023 to \$4.4 million due to a one-time settlement check to be designated for specific capital projects and an increase in net investment income. Capital Projects Fund expenditures also increased slightly in FY 2023 to \$1.2 million.

Enterprise Funds

The City has three major enterprise funds: the Water Utility Fund, the Sanitation District Fund and the Civic Center Fund.

Water Utility operating revenues in FY 2023 increased \$2.2 million to \$28.4 million compared to \$26.2 million in FY 2022 due to an increase in revenues related to another 9.5% water rate increase. Operating expenses increased \$4 million, or 27%, in FY 2023 to \$19.2 million because of an increase in net pension and OPEB liabilities and cost of living increases.

Sanitation District operating revenues increased \$1.5 million to \$25.2 million in FY 2023 because sanitary sewer rates increased by 9% although the increase was offset by reduced water usage. Operating expenses increased by \$9.7 million, or 48%, to \$30.6 million in FY 2023 because of the increase in net pension and OPEB liabilities and cost of living increases.

The Civic Center Fund became a major fund in FY 2022 due to the implementation of GASB 87 and the addition of leases receivables for building leases within the Fund. The Civic Center Fund remained a major fund in FY 2023 with an ending net position of \$5.4 million, a small increase from its \$5 million net position in FY 2022.

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 continuing economic uncertainties, the City again completed a one-year budget process for FY 2023. Revenues were better than the budget in FY 2023 as some, like utility users tax and rents and interest, came in higher than expected. The City also recognized \$1.2 million more in American Rescue Plan Act funds than budgeted. Expenditures were below final budgeted amounts by \$14.4 million, mostly because of staffing vacancies in the Police Department and other General Fund funded departments.

Table 5
General Fund
Statements of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023
(in thousands)

	Final Budget	Actual	Variance
			Positive/(Negative)
Revenues:			
Property tax	\$ 49,542,790	\$ 48,895,101	\$ (647,689)
Sales and use tax - general	26,124,343	25,774,755	(349,588)
Utility users tax	5,554,668	6,934,379	1,379,711
Franchise fees	4,654,365	5,016,118	361,753
Other Taxes	7,415,661	8,268,611	852,950
Licenses & Permits	2,866,349	2,672,412	(193,937)
Fines, forfeitures and penalties	2,359,876	2,628,742	268,866
Rents and Interest	2,159,599	3,066,973	907,374
Federal Program Grant	5,105,000	6,263,152	1,158,152
Receipt from other Agencies	1,399,855	1,099,328	(300,527)
Charges for services	6,806,357	6,529,787	(276,570)
Miscellaneous	682,236	1,654,471	972,235
Total revenues	114,671,099	118,803,829	4,132,730
Expenditures:			
Current:			
General government	17,090,622	14,546,470	2,544,152
Public safety	77,835,291	70,309,622	7,525,669
Public Works	7,695,822	6,222,955	1,472,867
Culture and Recreation	16,024,816	14,871,322	1,153,494
Economic andCommunity development	6,477,327	4,809,084	1,668,243
Total expenditures	125,123,878	110,759,453	14,364,425
Excess (deficiency) of revenues over (under) expenditures	(10,452,779)	8,044,376	18,497,155
Other Financing Sources (Uses):			
Transfers in (Note 6)	3,224,907	3,484,848	259,941
Transfers (out) (Note6)	(3,598,680)	(3,340,398)	258,282
Total other financing sources (uses)	(373,773)	144,450	518,223
Net change in fund balance	\$ (10,826,552)	\$ 8,188,826	

CAPITAL ASSETS

At the end of FY 2023 the City had \$168.4 million, net of accumulated depreciation, invested in a broad range of capital assets, as shown in Table 6 below (further detail may be found in Note 4 to the financial statements):

Table 6
Capital Assets Net of Depreciation at June 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Land	\$ 27,856	\$ 27,856	\$ 2,863	\$ 2,863	\$ 30,719	\$ 30,719
Buildings & improvements	19,902	20,473	1,306	1,472	21,208	21,946
Right-to-use building	102	29	-	-	102	29
Park structures & improvements	4,486	3,182	-	-	4,486	3,182
Subscription Assets	4,236	3,704	-	-	4,236	3,704
Streets & infrastructures	24,189	26,105	-	-	24,189	26,105
Sewage facilities	-	-	16,151	17,279	16,151	17,279
Wells & pump stations	-	-	3,996	4,182	3,996	4,182
Water reservoirs	-	-	6,532	6,691	6,532	6,691
Water mains	160	-	8,778	9,054	8,938	9,054
Sanitation subsurface lines	-	-	10,452	11,272	10,452	11,272
Equipment	9,734	9,356	4,400	4,452	14,134	13,808
Furniture & fixtures	15	18	35	43	50	60
Construction in progress	11,468	10,965	11,753	10,026	23,221	20,992
Total net capital assets	\$ 102,148	\$ 101,689	\$ 66,266	\$ 67,335	\$ 168,414	\$ 169,023

*As restated for the implementation of GASB Statement No. 96

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 7
Outstanding Debt
(in thousands)

Governmental Activities	Original Interest Principal	2023	2022
Description			
<u>HUD Section 108 Loan for</u> <u>Bayshore Community Center</u>	0.35% to \$ 4,500 2.49% 2,670	\$ -	\$ 418
Issued January 29, 2004			
Maturity August 1, 2022			
<u>Pension Obligation Bonds</u>	2.65% to 36,235	4,325	8,250
Issued June 1, 2004	5.896%		
Maturity June 1, 2024			
<u>Equipment Lease Purchase</u> <u>Community First Bank</u>	2.7% 1,483	1,087	1,288
Issued December 18, 2020			
Maturity December 18, 2027			
<u>Equipment Lease Purchase</u> <u>Community First Bank</u>	3.8% 1,830	1,831	-
Issued October 11, 2022			
Maturity October 11, 2030			
Total Governmental Activity Debts		7,243	9,956
Business-type Activities			
<u>State Water Resources Control Board</u> <u>Revolving Fund Loan for Sanitation</u>	2.50% \$ 4,450	557	825
<u>District Recycled Water Project</u>			
Issued November 18, 2003			
Maturity December 1, 2024			
<u>Water Revenue Refunding Bonds to</u> <u>Refinance Water Certificates of</u> <u>Participation</u>	2.00% to 6,890 3.00%	640	1,265
Issued September 10, 2012			
Maturity June 1, 2024			
Total Business-Type Activity Debts		1,197	2,090
Total City Long-Term Debts		\$ 8,440	\$ 12,046

ECONOMIC FACTORS

During fiscal year (FY) 2022-23, the City continued to see growth in its main revenue sources, property taxes and sales taxes. Although some had predicted a recession might come in FY 2023 given the rising inflation and the increases in interest rates by the Federal Open Market Committee, the City did not experience any recessionary impacts. In fact, revenues seemed to return to more traditional growth rates as experienced by the City before the pandemic.

At the same time, though, expenditures continued to rise for the City as inflation and other supply and demand factors affected the cost of labor as well as services and supplies. The City had budgeted at a deficit for FY 2023, but ended the year with a surplus since revenues were better than budgeted and expenses were significantly down due to staff vacancies. The City also continued to use its portion of the American Rescue Plan Act funds to help partially offset the budgeted deficit in FY 2023.

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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 2G)	\$183,170,436	\$63,371,814	\$246,542,250
Cash with fiscal agent (Note 2G)	118,160	11,326	129,486
Restricted cash (Note 2G)	4,477,007		4,477,007
Accounts receivable, net	11,795,948	7,671,987	19,467,935
Inventories (Note 2H)	239,490	1,981,446	2,220,936
Prepays (Note 2H)	2,082,512	550	2,083,062
Internal balances (Note 6)	(2,008,339)	2,008,339	
Notes receivable (Note 13)	1,390,489		1,390,489
Loan receivable from Successor Agency (Note 15C)	10,907,153		10,907,153
Leases receivable (Note 7)	8,948,142	8,926,241	17,874,383
Property held for development (Note 2C)	3,366,888		3,366,888
Capital assets (Note 4):			
Nondepreciable capital assets	39,324,136	14,615,475	53,939,611
Depreciable capital assets, net	62,823,573	51,650,477	114,474,050
Total Assets	<u>326,635,595</u>	<u>150,237,655</u>	<u>476,873,250</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 8D)	60,381,989	4,307,650	64,689,639
Related to OPEB (Note 9E)	5,597,288	865,218	6,462,506
Total Deferred Outflows of Resources	<u>65,979,277</u>	<u>5,172,868</u>	<u>71,152,145</u>
LIABILITIES			
Accounts payable	9,615,853	2,557,365	12,173,218
Accrued payroll	1,168,554	187,535	1,356,089
Deposits payable	6,589,212	32,200	6,621,412
Unearned revenue	11,127,417		11,127,417
Interest payable	78,042	9,187	87,229
Compensated absences (Note 2K):			
Due within one year	5,897,667	882,612	6,780,279
Due in more than one year	11,946,473	1,746,320	13,692,793
Accrued claims payable (Note 11):			
Due within one year	2,622,041		2,622,041
Due in more than one year	7,450,959		7,450,959
Net OPEB liability, due in more than one year (Note 9C)	34,085,280	5,268,831	39,354,111
Net pension liability, due in more than one year (Note 8C)	200,283,505	12,761,384	213,044,889
Lease payable (Note 7)			
Due within one year	78,888		78,888
Due in more than one year	34,463		34,463
Subscription liabilities (Note 14):			
Due within one year	761,625		761,625
Due in more than one year	3,521,797		3,521,797
Long-term debt (Note 5):			
Due within one year	4,746,769	914,959	5,661,728
Due in more than one year	2,495,543	281,832	2,777,375
Total Liabilities	<u>302,504,088</u>	<u>24,642,225</u>	<u>327,146,313</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 8D)	130,948	23,729	154,677
Related to OPEB (Note 9E)	3,117,646	481,920	3,599,566
Related to leases (Note 7)	8,679,820	8,165,964	16,845,784
Total Deferred Inflows of Resources	<u>11,928,414</u>	<u>8,671,613</u>	<u>20,600,027</u>
NET POSITION (Note 12)			
Net investment in capital assets	96,664,081	65,069,161	161,733,242
Restricted for:			
Debt service	118,160	11,326	129,486
Streets and roads	20,081,167		20,081,167
Infrastructure	13,318,328		13,318,328
Qualified capital outlay		2,431,413	2,431,413
Affordable housing	9,367,960		9,367,960
Other	2,651,331		2,651,331
Total Restricted Net Position	<u>45,536,946</u>	<u>2,442,739</u>	<u>47,979,685</u>
Unrestricted	<u>(64,018,657)</u>	<u>54,584,785</u>	<u>(9,433,872)</u>
Total Net Position	<u><u>\$78,182,370</u></u>	<u><u>\$122,096,685</u></u>	<u><u>\$200,279,055</u></u>

See accompanying notes to financial statements

CITY OF DALY CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:						
General government	\$14,303,115	\$625,126	\$81,939	\$177,397	(\$13,418,653)	(\$13,418,653)
Public safety	70,765,037	5,273,795	6,636,684		(58,854,558)	(58,854,558)
Public works	15,855,694	3,559,037	5,793,984	6,775,309	272,636	272,636
Culture and recreation	16,742,550	2,127,987	1,209,780		(13,404,783)	(13,404,783)
Economic and community development	6,884,119	3,287,643	2,376,673		(1,219,803)	(1,219,803)
Interest on long-term debt	578,865				(578,865)	(578,865)
Total Governmental Activities	125,129,380	14,873,588	16,099,060	6,952,706	(87,204,026)	(87,204,026)
Business-type Activities:						
Water Utility	18,874,866	27,892,142	141,008		\$9,158,284	9,158,284
Civic Center	997,790	1,318,174			320,384	320,384
Transfer Station						
Sanitation District	30,021,570	25,132,013	1,921,579		(2,967,978)	(2,967,978)
Total Business-type Activities	49,894,226	54,342,329	2,062,587		6,510,690	6,510,690
Total	<u><u>\$175,023,606</u></u>	<u><u>\$69,215,917</u></u>	<u><u>\$18,161,647</u></u>	<u><u>\$6,952,706</u></u>	<u><u>(87,204,026)</u></u>	<u><u>6,510,690</u></u>
General revenues:						
Taxes:						
Property tax				48,895,101	2,620,296	51,515,397
Sales tax				25,774,755		25,774,755
Utility users tax				6,934,379		6,934,379
Franchise fees				5,016,118		5,016,118
Other taxes				8,268,611		8,268,611
Investment earnings				3,529,876	1,067,422	4,597,298
Gain from sale of capital assets					2,199	2,199
Miscellaneous				2,454,244	815,175	3,269,419
Transfers (Note 6)				1,393,960	(1,393,960)	
Total general revenues and transfers				<u><u>102,267,044</u></u>	<u><u>3,111,132</u></u>	<u><u>105,378,176</u></u>
Change in Net Position				15,063,018	9,621,822	24,684,840
Net Position-Beginning				<u><u>63,119,352</u></u>	<u><u>112,474,863</u></u>	<u><u>175,594,215</u></u>
Net Position-Ending				<u><u>\$78,182,370</u></u>	<u><u>\$122,096,685</u></u>	<u><u>\$200,279,055</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, 2023**

	General	Gas Tax	Grants	Measures A and W	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments (Note 2G)	\$78,069,008	\$8,322,485	\$335,143	\$11,262,750	\$30,677,404	\$6,705,569	\$135,372,359
Restricted cash and investments (Note 2G)	4,477,007						4,477,007
Accounts receivable, net	8,436,524	1,856,886	321,128	200,509	340,281	533,125	11,688,453
Due from other funds (Note 6)	360,842						360,842
Prepays (Note 2H)	252,055						252,055
Inventories (Note 2H)	16,554	28,151					44,705
Notes receivable (Note 13)			469,012			921,477	1,390,489
Loan receivable from Successor Agency (Note 15C)	10,907,153						10,907,153
Leases receivable (Note 7)	8,948,142						8,948,142
Property held for development (Note 2C)						3,366,888	3,366,888
Total Assets	\$111,467,285	\$10,207,522	\$1,125,283	\$11,463,259	\$31,017,685	\$11,527,059	\$176,808,093
LIABILITIES							
Accounts payable	\$7,520,809	\$805,686	\$92,267	\$68,760	\$305,133	\$168,073	\$8,960,728
Accrued payroll	1,049,321	29,976	1,802			6,066	1,087,165
Due to other funds (Note 6)						360,842	360,842
Deposits payable	6,585,211					4,001	6,589,212
Unearned revenue	9,398,182				1,729,235		11,127,417
Total Liabilities	24,553,523	835,662	94,069	68,760	2,034,368	538,982	28,125,364
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - accounts receivable		685,192	108,324				793,516
Unavailable revenue - loans			469,012			921,477	1,390,489
Related to leases	8,679,820						8,679,820
Total Deferred Inflows of Resources	8,679,820	685,192	577,336			921,477	10,863,825
FUND BALANCES							
Fund Balance (Note 12)							
Nonspendable	11,451,441	28,151					11,479,592
Restricted	5,477,007	8,658,517	453,878	11,394,499	13,318,328	10,066,600	49,368,829
Assigned	754,432					15,664,989	16,419,421
Unassigned	60,551,062						60,551,062
Total Fund Balances	78,233,942	8,686,668	453,878	11,394,499	28,983,317	10,066,600	137,818,904
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$111,467,285	\$10,207,522	\$1,125,283	\$11,463,259	\$31,017,685	\$11,527,059	\$176,808,093

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, 2023

Total fund balances reported on the Governmental Funds Balance Sheet \$137,818,904

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. 91,157,302

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	47,916,237
Accounts receivable	107,495
Prepays	1,830,457
Deferred outflows	479,209
Inventories	194,785
Internal balances	(2,008,339)
Capital assets	10,990,407
Accounts payable	(655,125)
Accrued payroll	(81,389)
Interest payable	(78,042)
Accrued claims payable	(10,073,000)
Compensated absences	(1,511,171)
Net OPEB liability	(2,918,121)
Deferred inflows	(266,909)
Subscription liabilities - due within one year	(489,837)
Subscription liabilities - due in more than one year	(1,450,871)
Long-term debt - due within one year	(4,746,769)
Long-term debt - due in more than one year	(2,495,543)

ACCRUAL 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. 2,184,005

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	65,500,068
Deferred inflows	(2,981,685)

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	(113,351)
Leases payable	(2,342,714)
Subscription liabilities	(31,167,159)
Net OPEB liability	(200,283,505)
Net pension liability	(16,332,969)
Compensated absences	<u><u></u></u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$78,182,370

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, 2023

	General	Gas Tax	Grants	Measures A and W	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property tax	\$48,895,101						\$48,895,101
Gas tax		\$4,968,756					4,968,756
Sales tax	25,774,755			\$3,906,134			29,680,889
Utility users tax	6,934,379						6,934,379
Franchise fees	5,016,118						5,016,118
Other taxes	8,268,611						8,268,611
Licenses and permits	2,672,412						2,672,412
Fines and forfeitures	2,628,742						2,628,742
Rents and interest	3,066,973	142,110	\$12,710	204,942	\$555,266	\$118,402	4,100,403
Federal programs and grants	6,263,152	117,442	69,124		239,807	1,860,695	8,550,220
Receipts from other agencies	1,099,328	637,603	836,241		432,324		3,005,496
Charges and fees	6,529,787	1,157,262			1,681,511	77,738	9,446,298
Miscellaneous	1,654,471	61,252			1,536,169	175,077	3,426,969
Total Revenues	118,803,829	7,084,425	918,075	4,111,076	4,445,077	2,231,912	137,594,394
EXPENDITURES							
Current:							
General government	14,186,436		83,488	4,930			14,274,854
Public safety	70,309,622		265,937			17,967	70,593,526
Public works	6,222,955	4,715,517				24,401	10,962,873
Culture and recreation	14,871,322		428,851				15,300,173
Economic and community development	4,809,084		205,466			1,763,119	6,777,669
Capital projects		5,773,916	298,172		2,501,363		8,573,451
Debt service:							
Principal	333,164					418,000	751,164
Interest	26,870					5,121	31,991
Total Expenditures	110,759,453	10,489,433	1,281,914	4,930	2,501,363	2,228,608	127,265,701
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	8,044,376	(3,405,008)	(363,839)	4,106,146	1,943,714	3,304	10,328,693
OTHER FINANCING SOURCES (USES)							
Transfers in (Note 6)	3,484,848	3,628,964		77,369	301,873	247,126	7,740,180
Transfers (out) (Note 6)	(3,340,398)	(370,598)	(366,933)	(1,854,795)	(360,579)		(6,293,303)
Total Other Financing Sources (Uses)	144,450	3,258,366	(366,933)	(1,777,426)	(58,706)	247,126	1,446,877
NET CHANGES IN FUND BALANCES							
BEGINNING FUND BALANCES	8,188,826	(146,642)	(730,772)	2,328,720	1,885,008	250,430	11,775,570
ENDING FUND BALANCES	70,045,116	8,833,310	1,184,650	9,065,779	27,098,309	9,816,170	126,043,334
	\$78,233,942	\$8,686,668	\$453,878	\$11,394,499	\$28,983,317	\$10,066,600	\$137,818,904

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, 2023

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	\$11,775,570
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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.	4,061,944
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$2,436,842 which has already been allocated to serviced funds).	(4,747,627)
Retirements are deducted from fund balance	(3,566)

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	418,000
Repayment of lease principal is added back to fund balance	62,619
Remeasurement of lease liability is deducted from fund balance	(146,267)
Repayment of subscription liability principal is added back to fund balance	270,545
Interest accrued is deducted from fund balance	4,270

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	760,533
Compensated absences	(4,279,392)
OPEB expense	1,564,929
Pension expense	(3,223,441)

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	<u>8,544,901</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	<u>\$15,063,018</u>
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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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property tax	\$49,542,790	\$49,542,790	\$48,895,101 (\$647,689)
Sales tax	26,124,343	26,124,343	25,774,755 (349,588)
Utility users tax	5,554,668	5,554,668	6,934,379 1,379,711
Franchise fees	4,654,365	4,654,365	5,016,118 361,753
Other taxes	7,415,661	7,415,661	8,268,611 852,950
Licenses and permits	2,866,349	2,866,349	2,672,412 (193,937)
Fines and forfeitures	2,359,876	2,359,876	2,628,742 268,866
Rents and interest	2,169,599	2,159,599	3,066,973 907,374
Federal programs and grants	5,000,000	5,105,000	6,263,152 1,158,152
Receipts from other agencies	773,159	1,399,855	1,099,328 (300,527)
Charges and fees	6,796,357	6,806,357	6,529,787 (276,570)
Miscellaneous	631,782	682,236	1,654,471 972,235
Total Revenues	113,888,949	114,671,099	118,803,829 4,132,730
EXPENDITURES			
Current Operations:			
General Government			
Legislative:			
Salaries and benefits	259,433	325,481	285,037 40,444
Services and supplies	55,929	55,929	50,989 4,940
Other charges	44,106	44,106	18,494 25,612
Total Legislative	359,468	425,516	354,520 70,996
Legal:			
Salaries and benefits	1,679,762	1,193,080	1,220,466 (27,386)
Services and supplies	240,603	740,603	241,263 499,340
Other charges	9,918	9,918	7,316 2,602
Total Legal	1,930,283	1,943,601	1,469,045 474,556
Administrative:			
Salaries and benefits	8,532,810	10,257,595	8,805,072 1,452,523
Services and supplies	3,325,965	3,685,789	2,978,316 707,473
Capital outlay			
Other charges	1,085,241	778,121	579,483 198,638
Total Administrative	12,944,016	14,721,505	12,362,871 2,358,634
Total General Government	15,233,767	17,090,622	14,186,436 2,904,186
Public Safety			
Police:			
Salaries and benefits	38,789,085	39,209,630	32,044,580 7,165,050
Services and supplies	7,386,567	7,681,885	7,272,563 409,322
Capital outlay	440,675	234,639	150,493 84,146
Other charges	671,659	696,659	671,935 24,724
Total Police	47,287,986	47,822,813	40,139,571 7,683,242
Fire:			
Salaries and benefits	25,368,285	26,205,740	26,886,282 (680,542)
Services and supplies	3,332,820	3,334,191	3,075,887 258,304
Capital outlay	280,000	262,000	42,627 219,373
Other charges	210,547	210,547	165,255 45,292
Total Fire	29,191,652	30,012,478	30,170,051 (157,573)
Total Public Safety	76,479,638	77,835,291	70,309,622 7,525,669

(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, 2023

	<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	4,935,045	5,272,915	4,016,054	1,256,861
Services and supplies	2,017,004	2,303,959	2,097,977	205,982
Other charges	120,448	118,948	108,924	10,024
Total Public Works	<u>7,072,497</u>	<u>7,695,822</u>	<u>6,222,955</u>	<u>1,472,867</u>
Culture and Recreation				
Salaries and benefits	8,310,754	9,320,412	8,641,514	678,898
Services and supplies	5,811,275	6,534,005	6,062,296	471,709
Capital outlay	77,000	37,000	34,162	2,838
Other charges	138,799	133,399	133,350	49
Total Culture and Recreation	<u>14,337,828</u>	<u>16,024,816</u>	<u>14,871,322</u>	<u>1,153,494</u>
Economic and Community Development				
Salaries and benefits	3,929,418	3,958,086	3,269,845	688,241
Services and supplies	1,459,681	2,337,599	1,441,576	896,023
Other charges	81,642	181,642	97,663	83,979
Total Economic and Community Development	<u>5,470,741</u>	<u>6,477,327</u>	<u>4,809,084</u>	<u>1,668,243</u>
Debt service:				
Principal			333,164	(333,164)
Interest			26,870	(26,870)
			<u>360,034</u>	<u>(360,034)</u>
Total Expenditures	<u>118,594,471</u>	<u>125,123,878</u>	<u>110,759,453</u>	<u>14,364,425</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,705,522)</u>	<u>(10,452,779)</u>	<u>8,044,376</u>	<u>18,497,155</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,857,974	3,224,907	3,484,848	259,941
Transfers out	(2,406,492)	(3,598,680)	(3,340,398)	258,282
Total Other Financing Sources (Uses)	<u>451,482</u>	<u>(373,773)</u>	<u>144,450</u>	<u>518,223</u>
NET CHANGE IN FUND BALANCE	<u>(\$4,254,040)</u>	<u>(\$10,826,552)</u>	<u>8,188,826</u>	<u>\$19,015,378</u>
BEGINNING FUND BALANCE			<u>70,045,116</u>	
ENDING FUND BALANCE			<u>\$78,233,942</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, 2023

	<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	\$5,640,753	\$5,640,753	\$4,968,756	(\$671,997)
Sales tax				
Rents and interest	70,000	70,000	142,110	72,110
Federal programs and grants	450,000	624,233	117,442	(506,791)
Receipts from other agencies	594,580	3,395,211	637,603	(2,757,608)
Charges and services	1,066,757	1,078,733	1,157,262	78,529
Miscellaneous	9,500	9,500	61,252	51,752
Total Revenues	<u>7,831,590</u>	<u>10,818,430</u>	<u>7,084,425</u>	<u>(3,734,005)</u>
EXPENDITURES				
Public works	4,980,549	5,161,512	4,715,517	445,995
Capital projects	7,971,008	27,186,263	5,773,916	21,412,347
Total Expenditures	<u>12,951,557</u>	<u>32,347,775</u>	<u>10,489,433</u>	<u>21,858,342</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,119,967)</u>	<u>(21,529,345)</u>	<u>(3,405,008)</u>	<u>18,124,337</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,826,575	15,294,260	3,628,964	(11,665,296)
Transfers out	(293,229)	(293,229)	(370,598)	(77,369)
Total Other Financing Sources (Uses)	<u>4,533,346</u>	<u>15,001,031</u>	<u>3,258,366</u>	<u>(11,742,665)</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$586,621)</u></u>	<u><u>(\$6,528,314)</u></u>	<u><u>(146,642)</u></u>	<u><u>\$6,381,672</u></u>
BEGINNING FUND BALANCE			<u>8,833,310</u>	
ENDING FUND BALANCE			<u><u>\$8,686,668</u></u>	

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, 2023**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Rents and interest	\$5,233	\$5,233	\$12,710	\$7,477
Federal programs and grants		1,325,733	69,124	(1,256,609)
Receipts from other agencies	437,167	2,662,345	836,241	(1,826,104)
Miscellaneous revenue				
Total Revenues	442,400	3,993,311	918,075	(3,075,236)
EXPENDITURES				
General Government				
Administrative:				
Services and supplies		159,077	83,488	75,589
Total General Government	159,077	83,488	75,589	
Public Safety				
Salaries and benefits	177,559	181,376	176,873	4,503
Services and supplies	36,690	201,783	45,332	156,451
Capital outlay	36,690	245,940	41,526	204,414
Other charges		4,351	2,206	2,145
Total Public Safety	250,939	633,450	265,937	367,513
Public Works				
Capital Outlay		563,188	298,172	265,016
Total Public Works	563,188	298,172	265,016	
Culture and Recreation				
Salaries and benefits	133,791	70,805	50,499	20,306
Services and supplies	43,769	393,718	351,340	42,378
Capital Outlay		27,012	27,012	
Total Culture and Recreation	177,560	491,535	428,851	62,684
Economic and Community Development				
Salaries and benefits		148,477	148,571	(94)
Services and supplies		45,122	9,719	35,403
Other charges		2,582,270	47,176	2,535,094
Total Economic and Community Development	2,775,869	205,466	2,570,403	
Total Expenditures	428,499	4,623,119	1,281,914	3,341,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,901	(629,808)	(363,839)	265,969
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out		(366,933)	(366,933)	
NET CHANGE IN FUND BALANCE	\$13,901	(\$996,741)	(730,772)	\$265,969
BEGINNING FUND BALANCE				1,184,650
ENDING FUND BALANCE				\$453,878

See accompanying notes to financial statements

CITY OF DALY CITY
MEASURES A AND W SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales taxes	\$3,539,939	\$3,539,939	\$3,906,134	\$366,195
Rents and interest			204,942	204,942
Total Revenues	3,539,939	3,539,939	4,111,076	571,137
EXPENDITURES				
General Government				
Administrative:				
Services and supplies	5,000	5,000	4,930	70
Total Expenditures	5,000	5,000	4,930	70
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	3,534,939	3,534,939	4,106,146	571,207
OTHER FINANCING SOURCES (USES)				
Transfers in			77,369	77,369
Transfers out	(2,836,620)	(12,350,595)	(1,854,795)	10,495,800
NET CHANGE IN FUND BALANCE	\$698,319	(\$8,815,656)	2,328,720	\$11,144,376
BEGINNING FUND BALANCE			9,065,779	
ENDING FUND BALANCE			\$11,394,499	

See accompanying notes to financial statements

**CITY OF DALY CITY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds	
	Water Utility	Sanitation District	Civic Center	Nonmajor - Transfer Station	Totals	
ASSETS						
Current Assets:						
Cash and investments (Note 2G)	\$25,894,208	\$34,059,854	\$1,872,435	\$1,545,317	\$63,371,814	\$47,798,077
Cash with fiscal agent (Note 2G)	11,326				11,326	118,160
Accounts receivable, net (Note 2I)	5,981,434	1,647,263	43,290		7,671,987	107,495
Inventories (Note 2H)	393,350	1,588,096			1,981,446	194,785
Prepays		550			550	1,830,457
Total Current Assets	32,280,318	37,295,763	1,915,725	1,545,317	73,037,123	50,048,974
Noncurrent Assets:						
Leases receivable (Note 7)			8,926,241		8,926,241	
Capital Assets (Note 4):						
Land	839,856	233,547	1,695,762	93,384	2,862,549	378,343
Buildings	272,379	893,519	5,568,728	1,184,278	7,918,904	35,817
Sewage facilities		59,413,041			59,413,041	
Wells and pump stations	9,074,783				9,074,783	
Water reservoirs	12,715,925				12,715,925	
Mains and subsurface lines	21,568,821	26,871,004			48,439,825	
Equipment	7,257,779	10,091,431	936,705	20,912	18,306,827	26,238,848
Furniture and fixtures	37,154	114,174			151,328	63,104
Subscription assets						2,419,811
Construction in progress	554,128	11,198,798			11,752,926	179,992
Total Capital Assets	52,320,825	108,815,514	8,201,195	1,298,574	170,636,108	29,315,915
Less accumulated depreciation	(29,880,949)	(67,803,716)	(5,480,301)	(1,205,190)	(104,370,156)	(18,325,508)
Net Capital Assets	22,439,876	41,011,798	2,720,894	93,384	66,265,952	10,990,407
Total Noncurrent Assets	22,439,876	41,011,798	11,647,135	93,384	75,192,193	10,990,407
Total Assets	54,720,194	78,307,561	13,562,860	1,638,701	148,229,316	61,039,381
DEFERRED OUTFLOWS OF RESOURCES						
Related to pension (Note 8D)	1,324,850	2,982,800			4,307,650	
Related to OPEB (Note 9)	239,599	625,619			865,218	479,209
Total Deferred Outflows	1,564,449	3,608,419			5,172,868	479,209
LIABILITIES						
Current Liabilities:						
Accounts payable	883,971	1,667,612	5,782		2,557,365	655,125
Accrued payroll	56,271	131,264			187,535	81,389
Deposits payable	32,200				32,200	
Interest payable	1,067	8,120			9,187	78,042
Unearned revenue						
Accrued claims payable (Note 11)						2,622,041
Compensated absences (Note 2K)	274,404	608,208			882,612	
Long-term debt (Note 5)	640,000	274,959			914,959	5,236,606
Total Current Liabilities	1,887,913	2,690,163	5,782		4,583,858	8,673,203
Noncurrent Liabilities:						
Compensated absences (Note 2K)	304,070	1,442,250			1,746,320	1,511,171
Accrued claims payable (Note 10)						7,450,959
Net OPEB liability (Note 9)	1,459,061	3,809,770			5,268,831	2,918,121
Net Pension Liability (Note 8C)	3,924,859	8,836,525			12,761,384	
Long-term debt (Note 5)		281,832			281,832	3,946,414
Total Noncurrent Liabilities	5,687,990	14,370,377			20,058,367	15,826,665
Total Liabilities	7,575,903	17,060,540	5,782		24,642,225	24,499,868
DEFERRED INFLOWS OF RESOURCES						
Related to pension (Note 8D)	7,298	16,431			23,729	
Related to OPEB (Note 9)	133,455	348,465			481,920	266,909
Related to leases (Note 7)			8,165,964		8,165,964	
Total Deferred Inflows	140,753	364,896	8,165,964		8,671,613	266,909
NET POSITION (Note 12)						
Net investment in capital assets	21,799,876	40,455,007	2,720,894	93,384	65,069,161	7,962,844
Restricted for:						
Debt service	11,326				11,326	118,160
Qualified capital outlay		2,431,413			2,431,413	
Unrestricted	26,756,785	21,604,124	2,670,220	1,545,317	52,576,446	28,670,809
Total Net Position	\$48,567,987	\$64,490,544	\$5,391,114	\$1,638,701	120,088,346	\$36,751,813

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

2,008,339
\$122,096,685

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, 2023

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water Utility	Sanitation District	Civic Center	Nonmajor - Transfer Station	Totals	
OPERATING REVENUES						
Water sales	\$27,892,142	\$256,591			\$28,148,733	
Sewer service charges		24,544,359			24,544,359	
Connection charges		331,063			331,063	
Rental income			\$1,318,174		1,318,174	
Charges to City departments						\$30,611,858
Other revenues	515,348	103,841	81,406	\$114,580	815,175	801,357
Total Operating Revenues	28,407,490	25,235,854	1,399,580	114,580	55,157,504	31,413,215
OPERATING EXPENSES						
Salaries and benefits	5,261,594	11,208,364			16,469,958	7,603,178
Services and supplies	2,181,791	12,350,645	598,624		15,131,060	4,733,315
Water purchases	7,845,248				7,845,248	
Utilities	1,288,695	2,099,779	199,175		3,587,649	539,285
Insurance	422,673	1,073,769	30,528		1,526,970	4,228,464
Claims and settlements						2,336,204
Depreciation (Note 4)	1,347,688	2,324,857	190,694		3,863,239	2,436,842
Other charges	808,348	1,558,574			2,366,922	184,579
Total Operating Expenses	19,156,037	30,615,988	1,019,021		50,791,046	22,061,867
Operating Income (Loss)	9,251,453	(5,380,134)	380,559	114,580	4,366,458	9,351,348
NONOPERATING REVENUES (EXPENSES)						
Property taxes		2,620,296			2,620,296	
Intergovernmental	141,008	1,921,579			2,062,587	207,740
Gain on sale of capital assets		2,199			2,199	59,771
Loss on sale of capital assets						(265,122)
Interest income	468,647	565,197	33,578		1,067,422	733,017
Interest expense	(24,258)	(16,714)			(40,972)	(551,144)
Total Nonoperating Revenues (Expenses)	585,397	5,092,557	33,578		5,711,532	184,262
Income (Loss) Before Transfers	9,836,850	(287,577)	414,137	114,580	10,077,990	9,535,610
Transfers in (Note 6)	392,208	3,107,300			3,499,508	2,103,676
Transfers (out) (Note 6)	(3,627,155)	(1,136,644)	(15,089)	(114,580)	(4,893,468)	(2,156,593)
Net transfers	(3,234,947)	1,970,656	(15,089)	(114,580)	(1,393,960)	(52,917)
CHANGE IN NET POSITION	6,601,903	1,683,079	399,048		8,684,030	9,482,693
BEGINNING NET POSITION	41,966,084	62,807,465	4,992,066	1,638,701	111,404,316	27,269,120
ENDING NET POSITION	\$48,567,987	\$64,490,544	\$5,391,114	\$1,638,701	120,088,346	\$36,751,813
Net change in net position					8,684,030	
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.					937,792	
Change in net position of business-type activities					\$9,621,822	

See accompanying notes to financial statements

**CITY OF DALY CITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water Utility	Sanitation District	Civic Center	Nommajor - Transfer Station	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$29,225,712	\$24,913,949	\$1,043,662	\$114,580	\$55,297,903	\$31,354,146
Payments to suppliers	(13,155,224)	(17,072,673)	(847,757)		(31,075,654)	(11,757,108)
Payments to employees	(4,711,922)	(11,887,186)			(16,599,108)	(7,049,427)
Claims paid						(2,750,204)
Cash Flows from Operating Activities	11,358,566	(4,045,910)	195,905	114,580	7,623,141	9,797,407
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property tax		2,620,296			2,620,296	207,740
Intergovernmental	141,008	1,825,004			1,966,012	
Principal paid on noncapital debt						(3,925,000)
Interest paid on noncapital debt						(486,420)
Advance from other funds	(2,570,647)				(2,570,647)	
Advance to other funds		2,570,647			2,570,647	
Transfers in	392,208	3,107,300			3,499,508	2,103,676
Transfers out	(3,627,155)	(1,136,644)	(15,089)	(114,580)	(4,893,468)	(2,156,593)
Cash Flows from (used for) Noncapital Financing Activities	(5,664,586)	8,986,603	(15,089)	(114,580)	3,192,348	(4,256,597)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets		2,199			2,199	59,771
Acquisition of capital assets	(1,339,603)	(1,455,020)			(2,794,623)	(2,521,544)
Proceeds from issuance of capital lease						1,830,457
Principal paid on subscription liabilities						(479,103)
Interest paid on subscription liabilities						(11,111)
Principal paid on capital debt	(625,000)	(268,254)			(893,254)	(200,711)
Interest paid on capital debt	(25,299)	(20,624)			(45,923)	(34,377)
Cash Flows from (used for) Capital and Related Financing Activities	(1,989,902)	(1,741,699)			(3,731,601)	(1,356,618)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income (expense)	468,647	565,197	33,578		1,067,422	733,017
Net Cash Flows	4,172,725	3,764,191	214,394		8,151,310	4,917,209
Cash and investments at beginning of period	21,732,809	30,295,663	1,658,041	1,545,317	55,231,830	42,999,028
Cash and investments at end of period	\$25,905,534	\$34,059,854	\$1,872,435	\$1,545,317	\$63,383,140	\$47,916,237
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:						
Operating income (loss)	\$9,251,453	(\$5,380,134)	\$380,559	\$114,580	\$4,366,458	\$9,351,348
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation	1,347,688	2,324,857	190,694		3,863,239	2,436,842
Change in assets and liabilities:						
Accounts receivable, net	814,622	(321,905)	(3,247)		489,470	(59,069)
Inventories	15,869	73,964			89,833	(1,144)
Prepads		5,030			5,030	(1,830,457)
Accounts payable	(624,338)	(68,900)	(19,430)		(712,668)	(239,864)
Accrued payroll	8,848	23,387			32,235	16,343
Deposits payable	3,600				3,600	
Accrued claims payable						(414,000)
Compensated absences	182,251	(215,880)			(33,629)	683,935
Leases-related activity			(352,671)		(352,671)	
Due to OPEB system	(73,262)	(191,293)			(264,555)	(146,527)
Due to retirement system	431,835	(295,036)			136,799	
Cash Flows from Operating Activities	\$11,358,566	(\$4,045,910)	\$195,905	\$114,580	\$7,623,141	\$9,797,407
NONCASH TRANSACTIONS						
Subscription assets						\$1,328,754
Subscription liabilities						(\$1,328,754)
Retirement of capital assets						(\$265,122)

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, 2023

Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	
	Custodial Funds	External Investment Pool Fund
ASSETS		
Cash and investments (Note 2G)	\$208,404	\$2,051,137
Receivables	14,978	2,896,675
Total Assets	223,382	4,947,812
LIABILITIES		
Accounts payable		4,336,080
Deposits payable	4,050	
Loans payable to City (Note 15C)	10,907,153	
Total Liabilities	10,911,203	4,336,080
NET POSITION		
Restricted for:		
Other agencies and organizations	(10,687,821)	611,732
Pool participant		980,351
Total Net Position	(\$10,687,821)	\$611,732
	\$980,351	

See accompanying notes to financial statements

CITY OF DALY CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds	Custodial Funds External Investment Pool Fund
ADDITIONS			
Taxes	\$1,235,632		
Receipts from other agencies		\$90,000	
Rents and interest	73,660		\$15,659
Other receipts	545		5,773,148
 Total additions	 1,309,837	 90,000	 5,788,807
DEDUCTIONS			
Services and supplies	59,415		
Culture and recreation		1,397	
Other payments			5,111,078
 Total deductions	 59,415	 1,397	 5,111,078
 CHANGE IN NET POSITION	 1,250,422	 88,603	 677,729
NET POSITION			
Net Position (Deficit) - Beginning	(11,938,243)	523,129	302,622
 Net Position (Deficit) - Ending	 (\$10,687,821)	 \$611,732	 \$980,351

See accompanying notes to financial statements



CITY OF DALY CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1.

REPORTING ENTITY

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 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 and are reported as blended component units. Council members are financially accountable for these entities' operations and approve fees, debt issues and adopt budgets. Blended component units, although legally separate entities are, in substance, part of the government's operations, thus, data from these units are combined with that of the primary government.

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 Affordable Housing and the Low and Moderate Income Housing Assets Special Revenue Funds. 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.

The City and the Sanitation District established the Daly City Joint Powers Financing Authority (Financing Authority) in March 2022 pursuant to the Joint Exercise of Powers Act (commencing at Government Code Section 6500) to provide assistance with public financings, including, among others, General Fund lease financings and enterprise fund financings. The Financing Authority 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 Financing Authority. The Financing Authority does not issue separate financial statements. The Financing Authority did not have any activity during the year ended June 30, 2023.

NOTE 2.

DESCRIPTION OF FUNDS AND SUMMARY OF ACCOUNTING POLICIES

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, the Daly City Public Facilities Financing Corporation and the Daly City Joint Powers Financing Authority (see Note 1).

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 blended 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.

MEASURES A AND W SPECIAL REVENUE FUND is used to account for the City's portion of the Measure A special half cent sales tax receipts restricted for maintaining local streets and roads improvements and the City's portion of the Measure W special half cent sales tax receipts restricted for congestion relief and transit improvements.

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.

CIVIC CENTER FUND is used to account for rental activity of real property owned by the City in the Civic Center area.

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, including lease liabilities, as well as 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, including entering into contracts giving the City the right to use leased assets and right to use subscription assets. Proceeds of governmental long-term debt and financing through 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of 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 assets 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 and deferred amounts related to leases. 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. Due to the COVID-19 pandemic and ongoing economic uncertainties, the City moved to a one-year budget cycle starting in FY2021. The City is monitoring and evaluating the economic climate in hopes of switching back to a biennial budget process. 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.

Expenditures in Excess of Appropriations – The General Fund incurred in excess of appropriations of \$157,573 in the Public Safety-Fire department. Sufficient resources were available within the fund to finance these expenditures.

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	\$246,542,250
Cash with fiscal agent	129,486
Restricted cash and investments	<u>4,477,007</u>
Cash and investments of the City	251,148,743
Cash and investments in Fiduciary Funds (separate statement):	
Private-purpose Trust Fund	208,404
Custodial Funds	2,051,137
Custodial Funds - External investment pool	<u>980,351</u>
Total cash and investments	<u>\$254,388,635</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.

portfolio' 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	Minimum	Maximum	Maximum
	Maturity	Credit Quality	In Portfolio	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		Highest Rating		
Commercial Paper	N/A	Category	No Limit	No Limit
Negotiable Certificates of Deposit	270 Days	A	No Limit	No Limit
Money Market Mutual Funds	365 days	A-1+	No Limit	No Limit
Bankers Acceptances	N/A	AAAm	No Limit	No Limit
Local Obligations		Highest Rating		
State of California Local Agency Investment Fund (LAIF Pool)	N/A	Category	No Limit	No Limit
Municipal Obligations	Upon Demand	N/A	No Limit	No Limit
Repurchase Agreements	N/A	AAA	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. Treasury Note		\$952,150		\$952,150
U.S. Government Agency Securities		28,412,659	\$373,668	28,786,327
Money Market Mutual Funds	\$129,486			129,486
California Local Agency Investment Fund	30,251,577			30,251,577
San Mateo County Investment Pool	166,893,108			166,893,108
Negotiable Certificates of Deposit	737,388	16,569,478		17,306,866
PARS Moderately Conservative Index PLUS Fund	4,477,007			4,477,007
Total Investments	\$202,488,566	\$45,934,287	\$373,668	248,796,521
Cash in Bank and On Hand				5,592,114
Total Cash and Investments				\$254,388,635

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, 2023, these investments have an average maturity of 260 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, 2023, these investments matured in an average of 1.65 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, 2023 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	AA+/AA/A-1	Total Investments
U.S. Government Agency Securities		\$25,678,799	\$25,678,799
Money Market Mutual Funds	\$118,160	11,326	129,486
San Mateo County Investment Pool		<u>166,893,108</u>	<u>166,893,108</u>
 Total	<u>\$118,160</u>	<u>\$192,583,233</u>	192,701,393
<i>Not rated:</i>			
U.S. Government Agency Securities			3,107,528
California Local Agency Investment Fund			30,251,577
Negotiable Certificates of Deposit			17,306,866
PARS Moderately Conservative Index PLUS Fund			4,477,007
<i>Exempt:</i>			
U.S. Treasury Note			<u>952,150</u>
 Total Investments			<u>\$248,796,521</u>

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, 2023:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Treasury Note	\$952,150		\$952,150
U.S. Government Agency Securities		\$28,786,327	28,786,327
Negotiable Certificates of Deposit		17,306,866	17,306,866
Subtotal	<u>\$952,150</u>	<u>\$46,093,193</u>	<u>47,045,343</u>
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			129,486
PARS Moderately Conservative Index PLUS Fund			4,477,007
Investments Not Subject to the Fair Value Hierarchy:			
California Local Agency Investment Fund			30,251,577
San Mateo County Investment Pool			<u>166,893,108</u>
Total Investments			<u>\$248,796,521</u>

The U.S. Treasury Note classified in Level 1 of the fair value hierarchy are valued using quoted prices in an active market for identical assets. 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, 2022	\$12,880,813	\$2,662,561	\$15,543,374
Additions	12,343,378	1,113,693	13,457,071
Payments	(7,380,051)	(1,147,322)	(8,527,373)
Balance June 30, 2023	<u>\$17,844,140</u>	<u>\$2,628,932</u>	<u>\$20,473,072</u>
Due within one year	<u><u>\$5,897,667</u></u>	<u><u>\$882,612</u></u>	<u><u>\$6,780,279</u></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.

O. NEW FUND

The City established the Pension UAL Internal Service Fund during the year ended June 30, 2023 to account for funding set-aside towards the City's pension unfunded actuarial liability.

NOTE 3.

COMMITMENTS AND CONTINGENCIES

A. CONSTRUCTION CONTRACTS

At June 30, 2023, the City had made commitments of approximately \$16.5 million for construction work, legal and consulting fees, and purchases of supplies and equipment, which includes the encumbrances in Note 3C below.

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, 2023 were \$754,432 in the General Fund, \$5,238,385 in the Gas Tax Special Revenue Fund, \$19,222 in the Grants Special Revenue Fund, \$3,003,713 in the Capital Projects Fund, and \$304,772 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.

NOTE 4.

CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for intangible right to-use lease assets, the measurement of which is discussed in Note 7 below and intangible right to use subscription assets the measurement of which is discussed in Note 14 below. 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
Right to Use Leased Building	2 years	Water Reservoirs	40-99 years
Right-to-use Subscription Assets	3 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.

A. CAPITAL ASSET ADDITIONS AND RETIREMENTS

Capital assets at June 30 comprise:

	Balance				
	June 30, 2022 (as Restated)	Additions	Retirements	Transfers	Balance June 30, 2023
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$27,856,486				\$27,856,486
Construction in progress	10,965,170	\$3,093,706		(\$2,591,226)	11,467,650
Total capital assets not being depreciated	38,821,656	3,093,706		(2,591,226)	39,324,136
Capital assets being depreciated:					
Buildings & improvements	59,226,591	750,000		268,237	60,244,828
Right-to-use building	98,554	146,267			244,821
Streets & infrastructure	92,598,352			159,997	92,758,349
Park structures & improvements	8,030,071			1,647,293	9,677,364
Vehicles & equipment	31,612,571	2,593,515	(\$2,796,348)	515,699	31,925,437
Furniture & fixtures	458,590				458,590
Subscription assets	3,704,316	1,328,754			5,033,070
Total capital assets being depreciated	195,729,045	4,818,536	(2,796,348)	2,591,226	200,342,459
Less accumulated depreciation for:					
Buildings & improvements	38,753,479	1,588,947			40,342,426
Right-to-use building	69,567	73,743			143,310
Streets & infrastructure	66,493,503	1,916,369			68,409,872
Park structures & improvements	4,848,456	342,500			5,190,956
Vehicles & equipment	22,256,088	2,463,225	(2,527,660)		22,191,653
Furniture & fixtures	440,984	2,829			443,813
Subscription assets		796,856			796,856
Total accumulated depreciation	132,862,077	7,184,469	(2,527,660)		137,518,886
Net depreciable assets	62,866,968	(2,365,933)	(268,688)	2,591,226	62,823,573
Governmental activity capital assets, net	\$101,688,624	\$727,773	(\$268,688)		\$102,147,709

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$2,862,549			\$2,862,549
Construction in progress	10,026,420	\$1,726,506		11,752,926
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	12,888,969	1,726,506		14,615,475
Capital assets being depreciated:				
Buildings & improvements	7,918,904			7,918,904
Sewage facilities	59,413,041			59,413,041
Mains & subsurface lines	47,945,935	493,890		48,439,825
Water reservoirs	12,715,925			12,715,925
Wells & pump stations	9,074,783			9,074,783
Equipment	17,755,904	574,227	(\$23,304)	18,306,827
Furniture & fixtures	151,328			151,328
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	154,975,820	1,068,117	(23,304)	156,020,633
Less accumulated depreciation for:				
Buildings & improvements	6,446,406	166,401		6,612,807
Sewage facilities	42,133,844	1,128,347		43,262,191
Mains & subsurface lines	27,619,704	1,590,173		29,209,877
Water reservoirs	6,024,437	159,293		6,183,730
Wells & pump stations	4,893,228	185,664		5,078,892
Equipment	13,303,908	626,041	(23,304)	13,906,645
Furniture & fixtures	108,694	7,320		116,014
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	100,530,221	3,863,239	(23,304)	104,370,156
Net depreciable assets	54,445,599	(2,795,122)		51,650,477
Business-type activity capital assets, net	<hr/>	<hr/>	<hr/>	<hr/>
	\$67,334,568	(\$1,068,616)		\$66,265,952

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	\$193,868
Public safety	958,391
Public works	2,062,991
Culture and recreation	1,532,377
Capital assets held by the City's internal service funds charged to the various functions based on their usage of the assets	<u>2,436,842</u>
Total Governmental Activities	<u>\$7,184,469</u>
Business-Type Activities	
Water Utility	\$1,347,688
Sanitation District	2,324,857
Civic Center	190,694
Total Business-Type Activities	<u>\$3,863,239</u>

NOTE 5.

LONG-TERM DEBT

Changes in Long-Term Debt for the fiscal year ended June 30, 2023, are as follows:

	Original Issue Amount	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	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	\$418,000		\$418,000		
2004 Series A-1 Pension Obligation Bonds 2.650%-5.896%, due FY 2024	36,235,000	8,250,000		3,925,000	\$4,325,000	\$4,325,000
Community First National Bank Lease-Fire Pumpers 2.670%, due FY 2028	1,483,056	1,287,566		200,711	1,086,855	206,069
Community First National Bank Lease-Fire Engines 3.81%, due FY 2030	1,830,457		\$1,830,457		1,830,457	215,700
Total Governmental Activities		9,955,566	1,830,457	4,543,711	7,242,312	4,746,769
<i>Business-Type Activities Debt</i>						
State Water Resources Control Board Loan 2.5%, due FY 2025 (Direct Borrowing)	4,450,128	825,045		268,254	556,791	274,959
2012 Water Revenue Refunding Bond 2.00%-3.0%, due FY 2024	6,890,000	1,265,000		625,000	640,000	640,000
Total Business-Type Activities		2,090,045		893,254	1,196,791	914,959
Total City Long-Term Debt		\$12,045,611	\$1,830,457	\$5,436,965	\$8,439,103	\$5,661,728

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. The final payment on the note was made during the year ended June 30, 2023. For fiscal year 2023, principal and interest paid were \$423,121 and total block grant revenues were \$1,794,755.

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 2023, principal and interest paid were \$4,411,420.

On December 18, 2020, the City entered into a lease financing 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%. For fiscal year 2023, principal and interest paid were \$235,088.

On October 11, 2022, the City entered into a lease financing agreement in the amount of \$1,830,457 with Community First National Bank, to acquire two fire engines. 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 January 15, 2024, with annual payments of \$306,115 through 2030. The lease bears an interest rate of 3.81%.

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, 2023, total principal and interest remaining on the note is \$577,761. For fiscal year 2023, principal and interest paid were \$288,878 and total Sanitation District Enterprise net revenues were \$915,151.

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, 2023, total principal and interest remaining on the bonds is \$652,801. For fiscal year 2023, principal and interest paid were \$650,299 and total Water Utility Enterprise Fund net revenues were \$7,581,641.

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

Year ending June 30	Pension Obligation Bonds		Fire Apparatus Pumpers Lease		Fire Engines Lease		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$4,325,000	\$255,002	\$206,069	\$29,019	\$215,700	\$90,416	\$4,746,769	\$374,437
2025			211,571	23,517	244,619	61,496	456,190	85,013
2026			217,220	17,868	253,935	52,180	471,155	70,048
2027			223,020	12,068	263,606	42,509	486,626	54,577
2028			228,975	6,114	273,645	32,470	502,620	38,584
2029 - 2030					578,952	33,279	578,952	33,279
	<u>\$4,325,000</u>	<u>\$255,002</u>	<u>\$1,086,855</u>	<u>\$88,586</u>	<u>\$1,830,457</u>	<u>\$312,350</u>	<u>\$7,242,312</u>	<u>\$655,938</u>

Year ending June 30	SWRCB Loan		Water Revenue Refunding Bond		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$274,959	\$13,921	\$640,000	\$12,801	\$914,959	\$26,722
2025	281,832	7,049			281,832	7,049
	<u>\$556,791</u>	<u>\$20,970</u>	<u>\$640,000</u>	<u>\$12,801</u>	<u>\$1,196,791</u>	<u>\$33,771</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, 2023, that amount was \$578,841,171. As of June 30, 2023, 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, 2023, the balance of this issuers' outstanding debt was as follows:

Franciscan Mobile Home Park Acquisition Project:

Senior Revenue Refunding Bonds, Series 2007A and

Subordinate Revenue Refunding Bonds, Series 2007B \$41,970,000

Third Tier Revenue Refunding Bonds, Series 2007C 6,985,000

Fourth Tier Revenue Bonds, Series 2002D 692,000

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, 2023, Community Block Grant Special Revenue Fund owed the General Fund \$360,842.

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 was 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. The remaining balance of the advance of \$2,570,647, including accrued interest, was repaid during the year ended June 30, 2023.

INTERFUND TRANSFERS

Transfers between funds during the fiscal year ended June 30, 2023 were as follows:

Fund Making Transfer	Fund Receiving Transfer	Transfer Amount
General Fund	Gas Tax Special Revenue Fund	\$1,724,183
	Capital Projects Fund	301,873
	Non Major Governmental Funds	247,126
	Internal Service Fund - Building Maintenance	2,445
	Internal Service Fund - Central Services	24,955
	Internal Service Fund - Pension UAL Fund	1,000,000
	Internal Service Fund - Information Services	39,816
Gas Tax Special Revenue Fund	General Fund	293,229
	Measures A and W Special Revenue Fund	77,369
Grants Special Revenue Fund	General Fund	366,933
Measures A and W Special Revenue Fund	Gas Tax Special Revenue Fund	1,854,795
Capital Projects Fund	Gas Tax Special Revenue Fund	49,986
	Water Utility Enterprise Fund	277,628
	Internal Service Fund - Information Services	32,965
Water Utility Enterprise Fund	General Fund	519,855
	Sanitation District Enterprise Fund	3,107,300
Sanitation District Enterprise Fund	General Fund	1,133,149
	Internal Service Fund - Information Services	3,495
Civic Center Enterprise Fund	General Fund	15,089
Non Major Enterprise Fund	Water Utility Enterprise Fund	114,580
Internal Service Fund - Motor Vehicles	General Fund	475,769
Internal Service Fund - Central Services	General Fund	14,445
Internal Service Fund - PBX	General Fund	6,711
Internal Service Fund - Building Maintenance	General Fund	361,605
Internal Service Fund - Information Services	General Fund	192,788
Internal Service Fund - PERS Contribution	Internal Service Fund - Pension UAL	1,000,000
Internal Service Fund - Self-Insurance	General Fund	105,275
		<u>\$13,343,364</u>

The purpose of the majority of transfers is to provide general support to another fund. General Fund transfers out typically represent a 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. LEASES

A. POLICIES

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$25,000 or more.

Lessee - The City is a lessee for a noncancelable lease of office space, as well as the financed purchase discussed in Note 5. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

Lessor - The City is a lessor for noncancelable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

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

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

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

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

B. LEASES RECEIVABLE

The balances related to leases receivable and deferred inflows of resources as of June 30, 2023 were:

	Lease Receivable	Deferred Inflows of Resources
General Fund		
Property easement	\$39,837	\$39,837
Communication sites	8,908,305	8,639,983
Civic Center Enterprise Fund		
Facilities leases	8,926,241	8,165,964
Total	<u>\$17,874,383</u>	<u>\$16,845,784</u>

Property Easement – The City entered into an easement agreement in December 2020 to facilitate the acquisition of an easement for parking access and utilities. As of June 30, 2023, the lease had one year remaining, with an annual payment of \$40,000. Payments under the agreement began in October 2022, and the City recognized \$39,674 in lease revenue and \$326 in interest revenue during the current fiscal year related to this lease. Also, the City has deferred inflows of resources related to this lease that will be recognized over the lease term.

Communication Site Leases – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2023, the City had ten leases, with original lease terms ranging from five to fifty-five years, including the optional extension periods, and as of June 30, 2023, the leases had 1 to 49 years remaining. The City recognized \$416,244 in lease revenue and \$186,503 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Facilities Leases – The City leases various facilities to third parties. During the year ended June 30, 2023, the City had four leases, with original lease terms ranging from three to twelve years and as of June 30, 2023, the leases had 1 to 14.5 years remaining. The City recognized \$842,261 in lease revenue and \$452,463 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

C. LEASE PAYABLE

A summary of governmental activities lease transactions for the fiscal year ended June 30, 2023, are as follows:

Governmental Activities	Balance				Balance	Current
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>	<u>Portion</u>	
Lease Payable						
MKD Cedar Hill	<u>\$29,703</u>	<u>\$146,267</u>	<u>(\$62,619)</u>	<u>\$113,351</u>	<u>\$78,888</u>	

Building Lease – The City entered into a five year lease agreement with MKD Cedar Hill as lessee for the use of office space that commenced in November 2017. An initial lease liability was recorded in the amount of \$98,554 during fiscal year, but the lease term was extended two years during fiscal year 2023 and the lease liability increased by \$146,267. As of June 30, 2023, the value of the lease liability was \$113,351. The City is required to make monthly principal and interest payments of \$6,014. The lease bears the City's incremental borrowing rate of 4.92%. The value of the right-to-use asset as of the end of the current fiscal year was \$244,821 and had accumulated amortization of \$143,310.

The future principal and interest lease payments as of June 30, 2023, were as follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$78,888	\$3,828	\$82,716
2025	34,463	425	34,888
	<u>\$113,351</u>	<u>\$4,253</u>	<u>\$117,604</u>

NOTE 8.
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, 2023, 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%	7.50%
Required employer contribution rates	12.17% *	12.17% *
Required Unfunded Accrued Liability Contribution	\$7,524,146	

*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	17.30% *	17.30% *
Required Unfunded Accrued Liability Contribution	\$9,413,235	

*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, 2023 were \$7,524,116 and \$9,413,235, 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, 2021 and measurement date of June 30, 2022:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	544	343
Inactive employees entitled to but not yet receiving benefits	406	100
Active employees	276	152
Total	<u>1,226</u>	<u>595</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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City’s Contributions to the Plans for the year ended June 30, 2023 were \$10,858,503 for the Miscellaneous Plan and \$13,581,978 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2) The lesser of contract COLA or 2.30% until Purchasing Protection Allowance floor on purchasing power applies,
Post Retirement Benefit Increase	2.30% 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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. 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 6.90%. 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real return (a) (b)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

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

(b) Figures are based on the 2021 Asset Liability Management study.

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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, 2021 (Measurement Date)	\$357,259,684	\$319,920,437	\$37,339,247
Changes in the year:			
Service cost	5,243,267	5,243,267	
Interest on the total pension liability	24,450,276	24,450,276	
Changes of Benefit Terms			
Changes of Assumptions	4,197,477	4,197,477	
Differences between actual and expected experience	(265,160)	(265,160)	
Plan to Plan Resource Movement			
Contributions - employer	9,832,902	(9,832,902)	
Contributions - employees	2,255,948	(2,255,948)	
Net investment income	(24,109,678)	24,109,678	
Benefit payments, including refunds of employee contributions	(18,923,625)	(18,923,625)	
Other Miscellaneous Expense			
Administrative Expense	(199,291)	199,291	
Net changes	14,702,235	(31,143,744)	45,845,979
Balance at June 30, 2022 (Measurement Date)	\$371,961,919	\$288,776,693	\$83,185,226

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (Measurement Date)	\$379,284,241	\$301,348,636	\$77,935,605
Changes in the year:			
Service cost	6,709,103	6,709,103	
Interest on the total pension liability	26,435,472	26,435,472	
Changes of Benefit Terms			
Changes in assumptions	9,574,276	9,574,276	
Differences between actual and expected experience	1,705,342	1,705,342	
Plan to Plan Resource Movement			
Contributions - employer	12,262,596	(12,262,596)	
Contributions - employees	3,050,038	(3,050,038)	
Net investment income	(22,624,777)	22,624,777	
Benefit payments, including refunds of employee contributions	(21,591,268)	(21,591,268)	
Other Miscellaneous Expense			
Administrative Expense	(187,722)	187,722	
Net changes	22,832,925	(29,091,133)	51,924,058
Balance at June 30, 2022 (Measurement Date)	\$402,117,166	\$272,257,503	\$129,859,663
TOTAL - BOTH PLANS	\$774,079,085	\$561,034,196	\$213,044,889

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	5.90%	5.90%	5.90%
Net Pension Liability	\$131,565,327	\$181,287,814	\$312,853,141
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$83,185,226	\$129,859,663	\$213,044,889
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$43,180,835	\$87,263,334	\$130,444,169

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, 2023 the City recognized pension expense of \$10,445,693 for the Miscellaneous Plan and \$17,355,028 for the Safety Plan, for total pension expense of \$27,800,721. At June 30, 2023, 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	\$10,858,503	
Differences between actual and expected experience	248,218	(\$154,677)
Changes in assumptions	2,448,528	
Net differences between projected and actual earnings on plan investments	14,524,209	
Total	\$28,079,458	(\$154,677)

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$13,581,978	
Differences between actual and expected experience	2,720,059	
Changes in assumptions	6,582,315	
Net differences between projected and actual earnings on plan investments	13,725,829	
Total	\$36,610,181	
Total Miscellaneous and Safety Plans	\$64,689,639	(\$154,677)

The amount of \$24,440,481 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, 2024. 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
2024	\$4,209,661	\$7,159,455	\$11,369,116
2025	2,714,862	5,606,492	8,321,354
2026	957,273	1,625,829	2,583,102
2027	9,184,482	8,636,427	17,820,909

E. SUBSEQUENT EVENT - REDUCTION OF CALPERS DISCOUNT RATE

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the Board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions are reflected in the GASB 68 accounting valuation reports for the June 30, 2022 measurement date.

NOTE 9.
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.

For employees hired prior to February 1, 2023, 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.

For employees hired on or after February 1, 2023, the City contributes the PEHMCA minimum, which was \$151 in 2023.

As of the June 30, 2022 measurement date, approximately 508 retirees were eligible and were receiving retiree health care benefits from the City and approximately 38 inactive employees entitled to but not yet receiving benefit payments. There were approximately 421 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, 2023, the City contributed \$4,407,355 to the Plan, which was comprised of benefit premiums of \$2,505,335, prefunding contributions of \$1,000,000 and implied subsidy benefit payments of \$902,000.

A. FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined as part of a June 30, 2021 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 2.50% inflation rate, 5.75% investment rate of return, 2.75% projected annual salary increase, and a medical trend of 6.50% (Non-Medicare), 5.65% (Medicare-Non-Kaiser) and 4.6% (Medicare-Kaiser) in 2023 decreasing to an ultimate rate of 3.75% 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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021.

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	34%	4.56%
Fixed Income	41%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	17%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return		5.75%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.75%. 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.

Changes of Assumptions – For the measurement date of June 30, 2022, the discount rate increased from 5.5% to 5.75%. In addition, the City changed from CERBT's Investment Strategy 2 to 1 effective August 23, 2022, to take advantage of typically higher returns in Strategy 1.

C. CHANGES IN NET OPEB LIABILITY

The changes in the net OPEB liability follows:

	Total OPEB Liability (a)	Increase (Decrease)	Net OPEB Liability/(Asset) (a) - (b)
	Plan Fiduciary Net Position (b)		
Balance at June 30, 2022	\$57,996,877	\$19,724,303	\$38,272,574
Changes Recognized for the Measurement Period:			
Service Cost	1,443,352		1,443,352
Interest on the total OPEB liability	3,174,237		3,174,237
Changes in benefit terms			0
Differences between expected and actual experience			0
Changes of assumptions	(1,564,568)		(1,564,568)
Contributions from the employer		4,453,620	(4,453,620)
Net investment income		(2,477,143)	2,477,143
Administrative expenses		(4,993)	4,993
Benefit payments	(3,453,620)	(3,453,620)	0
Net changes	(400,599)	(1,482,136)	1,081,537
Balance at June 30, 2023 (June 30, 2022 Measurement Date)	<u><u>\$57,596,278</u></u>	<u><u>\$18,242,167</u></u>	<u><u>\$39,354,111</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 \$923,000.

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%
(4.75%)	(5.75%)	6.75%
<u><u>\$46,049,115</u></u>	<u><u>\$39,354,111</u></u>	<u><u>\$33,722,727</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 Trend Rates		
1% Decrease	Trend Rates	1% Increase
<u><u>\$35,822,474</u></u>	<u><u>\$39,354,111</u></u>	<u><u>\$43,539,502</u></u>

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$2,431,324. At June 30, 2023, 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	\$4,407,335	
Difference between expected and actual experience		(\$1,856,937)
Changes in assumptions	369,823	(1,742,629)
Net differences between projected and actual earnings on plan investments	1,685,348	
Total	\$6,462,506	(\$3,599,566)

\$4,407,335 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, 2024. 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
2024	(\$1,106,787)
2025	(548,002)
2026	(112,668)
2027	390,695
2028	(167,633)

NOTE 10.**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 Plan is part of the public agency agent multiple-employer defined contribution plan that is administered by CalPERS. Benefit provisions under the Plan are established by City Resolution.

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.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

The City adopted a Resolution in November 2020 that required a monthly deferred compensation contribution of \$1,000 for the City Manager. Effective January 2023, the City's required monthly deferred compensation contribution was reduced to \$500. In addition, in August 2022, the City Council approved a one-time payment of vacation accruals in the amount of \$17,250 toward the City Manager's deferred compensation account. The City does not make any other contributions to the Plan. The City's required contributions for the year ended June 30, 2023 totaled \$26,250.

NOTE 11.
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 \$500,000 of general and automobile liability claims and maintains a \$50,000 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. Prior to July 1, 2022, the City's a self-insured retention for general and automobile liability claims was \$250,000 and losses in excess of the retention up to \$10,000,000 were 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. Effective July 1, 2022, the City also has a law enforcement liability policy with a deductible of \$350,000 and coverage of up to \$5 million per occurrence. 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, 2023, the City contributed \$614,232 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, 2023 and 2022:

	2023	2022
Beginning balance of claims payable	\$10,487,000	\$10,150,000
Increase in estimated claims liability	2,336,204	3,587,995
Claims paid	<u>(2,750,204)</u>	<u>(3,250,995)</u>
Ending balance of claims payable	<u><u>\$10,073,000</u></u>	<u><u>\$10,487,000</u></u>
Current Portion	<u><u>\$2,622,041</u></u>	<u><u>\$2,544,159</u></u>

The undiscounted claims totaled \$11,088,000 at June 30, 2023.

NOTE 12.

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, 2023, are below:

Fund Balance Classifications	General Fund	Gas Tax	Grants	Measures A and W	Capital Projects	Other Governmental Funds	Total
Nonspendables:							
Items not in spendable form:							
Inventories	\$16,554		\$28,151				\$44,705
Petty cash	7,357						7,357
Prepays	252,055						252,055
Leases receivable	268,322						268,322
Loan receivable from Successor Agency	10,907,153						10,907,153
Total Nonspendable	11,451,441	28,151					11,479,592
Restricted for:							
Pension benefits	4,477,007						4,477,007
Gas Tax Projects		8,658,517					8,658,517
Capital Projects	1,000,000			\$11,394,499	\$13,318,328		25,712,827
Affordable Housing						\$5,178,412	5,178,412
Low and Moderate Income							
Housing Assets						4,189,548	4,189,548
Linda Vista Benefit Assessment						586,005	586,005
Traffic Safety						112,635	112,635
Grants			\$453,878				453,878
Total Restricted	5,477,007	8,658,517	453,878	11,394,499	13,318,328	10,066,600	49,368,829
Assigned to:							
Capital Projects						15,664,989	15,664,989
Other Contracts							754,432
Total Assigned	754,432					15,664,989	16,419,421
Unassigned:							
Contingency Fund	1,000,000						1,000,000
Operating Reserve	19,500,000						19,500,000
Unassigned	40,051,062						40,051,062
Total Unassigned	60,551,062						60,551,062
Total Fund Balances	\$78,233,942	\$8,686,668	\$453,878	\$11,394,499	\$28,983,317	\$10,066,600	\$137,818,904

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, 2023 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 \$19.5 million at June 30, 2023 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. NET POSITION RESTRICTED FOR QUALIFIED CAPITAL OUTLAY

The City established a Reserve for Qualified Capital Outlay in the Sanitation District Enterprise Fund and transferred into it amounts from fiscal years 2019 to 2023 necessary to ensure compliance with State Gann Limit provisions. These funds will be used solely to pay for Gann Limit excludable capital expenses. To qualify, they must be for assets with a value greater than \$100,000 and a useful life of at least 10 years.

E. RESTATEMENT

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA)*, during the year ended June 30, 2023. As a result, the City determined that beginning the balances of subscription assets and subscription liabilities were \$3,704,316 and as of July 1, 2022 restated and increased the respective balances in that amount, and the net effect on beginning net position was zero. See the SBITA disclosure in Note 14.

NOTE 13.

LOANS AND NOTES RECEIVABLE

Housing Rehabilitation Program - 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 2023, the City made loans to three participants under this program and the CDBG and Cal HOME loan program activity is as follows:

Beginning Balance	\$1,423,472
New loans	88,194
Loan repayments	(117,138)
Loans forgiven	<u>(4,039)</u>
Ending Balance	<u><u>\$1,390,489</u></u>

Daly City Partnership Loan – In October 2021, the City made a loan of \$200,000 to the Daly City Partnership, a nonprofit corporation, to administer the services provided for the rental support and case management services for very low income residents negative impacted by the COVID-19 pandemic, by supporting cash flow during the administration of those programs. The loan was repaid during the year ended as of June 30, 2023.

NOTE 14.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. POLICIES

A subscription-based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes subscription assets with an initial, individual value of \$25,000 or more.

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

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancelable period of the subscription.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported on the statement of net position.

B. SUBSCRIPTION LIABILITIES

A summary of the City's SBITA transaction activities for the fiscal year ended June 30, 2023, are as follows:

	Balance		Balance	
	June 30, 2022 (as restated)	Additions		June 30, 2023
Governmental Activities				
Subscription Liabilities				
Axon Enterprises	\$2,613,259		\$270,545	\$2,342,714
Tyler Technologies	557,927		91,927	466,000
Microsoft Enterprise Enrollment		\$1,328,754	218,930	1,109,824
Superion	533,130		168,246	364,884
Total Subscription Liabilities	\$3,704,316	\$1,328,754	\$749,648	\$4,283,422

In May 2021, the City entered into a five-year SBITA for the use of body-worn camera-related cloud services. The agreement automatically renews for an additional five years, but the vendor may increase the cost of services by up to 3% per year during the renewal period. An initial subscription liability was recorded in the amount of \$2,613,259 as of July 1, 2022. As of June 30, 2023, the balance of the subscription liability was \$2,342,714. The City is required to make annual principal and interest payments of \$282,544 to \$327,547. The software has a nine-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$2,613,259 and had accumulated amortization of \$293,076.

In August 2020, and amended in November 2021, the City entered into a five-year SBITA for the use of community development and cashiering software. Due to a delay in the implementation, the amendment revised the commencement date of the agreement to November 1, 2021. The agreement automatically renews for one year, at the vendor's current service rate. An initial subscription liability was recorded in the amount of \$557,927 as of July 1, 2022. As of June 30, 2023, the balance of the subscription liability was \$466,000. The City is required to make annual principal and interest payments of \$94,488. The software has a six-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$557,927 and had accumulated amortization of \$104,611.

In December 2022, the City entered into a three-year SBITA for the use of Microsoft Enterprise cloud services. The agreement can be renewed for an additional three year term. An initial subscription liability was recorded in the amount of \$1,328,754 during the current fiscal year. As of June 30, 2023, the balance of the subscription liability was \$1,109,824. The City is required to make annual principal and interest payments of \$225,032. The software has a six-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,328,754 and had accumulated amortization of \$221,459.

In May 2020, the City entered into a one-year SBITA for the use of finance enterprise software. The agreement automatically renews for successive one year terms. An initial subscription liability was recorded in the amount of \$533,130 as of July 1, 2022. As of June 30, 2023, the balance of the subscription liability was \$364,884. The City is required to make annual principal and interest payments of \$179,229. The software has a three-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$533,130 and had accumulated amortization of \$177,710.

The future principal and interest subscription liability payments as of June 30, 2023, were as follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$761,625	\$19,668	\$781,293
2025	774,085	16,170	790,255
2026	589,447	12,617	602,064
2027	600,630	9,910	610,540
2028	612,119	7,153	619,272
Thereafter	945,516	8,782	954,298
Totals	\$4,283,422	\$74,300	\$4,357,722

NOTE 15.**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, 2023 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, 2023.

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, 2023 is \$10,907,153.



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, 2023

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	2020-2021	2021-2022
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	\$4,750,071	\$5,243,267
Interest	19,456,167	20,028,375	20,453,457	21,126,222	21,405,533	22,557,657	23,372,961	24,305,480	24,450,276
Differences between expected and actual experience	(5,096,599)	(6,329,013)	(1,376,656)	1,006,212	5,081,458	432,569	2,730,394	(265,160)	
Changes in assumptions	(4,888,600)		17,607,198	(9,036,830)					4,197,477
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)	(18,715,236)	(18,923,625)
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	13,070,709	14,702,235
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	344,188,975	357,259,684
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	\$357,259,684	\$371,961,919
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	\$8,924,993	\$9,832,902
Contributions - employee	2,090,754	1,959,273	2,019,542	2,110,207	2,068,466	2,144,408	2,252,506	2,129,297	2,255,948
Net investment income	34,374,839	5,074,277	1,142,662	24,378,978	19,945,939	16,443,055	12,936,801	59,983,132	(24,109,678)
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)	(18,715,236)	(18,923,625)
Other miscellaneous income (expense)					(708,784)	585			
Administrative Expense		(255,289)	(138,235)	(326,924)	(373,237)	(179,872)	(368,964)	(267,582)	(199,291)
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	52,054,604	(31,143,744)
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	267,865,833	319,920,437
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	\$319,920,437	\$288,776,693
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	\$37,339,247	\$83,185,226
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%	89.55%	77.64%
Covered payroll	\$24,443,972	\$22,658,681	\$22,823,982	\$23,568,915	\$22,688,822	\$24,144,928	\$24,817,517	\$24,973,064	\$27,629,117
Net pension liability as percentage of covered payroll	193.25%	225.64%	272.25%	308.68%	281.48%	293.31%	307.54%	149.52%	301.08%

Notes to Schedule:

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, 2020 and 2021 there were no changes. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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, 2023

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	2020-2021	2021-2022	
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	\$5,977,808	\$6,709,103	
Interest	19,532,405	20,368,130	21,118,384	21,794,377	22,455,535	23,732,977	24,739,728	25,785,538	26,435,472	
Differences between expected and actual experience	(455,068)	(1,021,524)	293,934	(978,042)	7,441,738	3,245,246	3,789,911	1,705,342	9,574,276	
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)	(20,254,165)	(21,591,268)	
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	15,299,092	22,832,925	
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	363,985,149	379,284,241	
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	\$379,284,241	\$402,117,166	
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	\$10,622,105	\$12,262,596	
Contributions - employee	2,632,654	1,864,455	1,917,899	1,935,079	2,062,297	2,040,072	2,186,070	2,777,982	3,050,038	
Net investment income	33,622,839	4,997,920	1,208,758	23,497,877	18,994,354	15,591,708	12,209,629	56,328,465	(22,624,777)	
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)	(20,254,165)	(21,591,268)	
Administrative Expense	(249,064)	(134,719)	(316,566)	(358,363)	(171,174)	(349,203)	(251,859)	(187,722)		
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	49,222,528	(29,091,133)	
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	252,126,108	301,348,636	
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	\$301,348,636	\$272,257,503	
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	\$77,935,605	\$129,859,663	
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%	79.45%	67.71%	
Covered payroll	\$19,652,763	\$19,567,377	\$19,784,134	\$19,829,558	\$20,477,192	\$21,410,816	\$22,001,988	\$23,722,063	\$26,760,075	
Net pension liability as percentage of covered payroll	266.59%	312.09%	392.86%	461.93%	443.20%	475.58%	508.40%	328.54%	485.27%	

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, 2020 and 2021 there were no changes. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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

* 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, 2023

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	MISCELLANEOUS								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$4,637,116	\$6,771,305	\$5,540,220	\$6,146,305	\$7,064,967	\$8,236,678	\$8,901,914	\$9,382,915	\$10,858,503
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)	(9,382,915)	(10,858,503)
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	\$27,629,117	\$28,935,160
Contributions as a percentage of covered payroll	20.47%	29.67%	23.51%	27.09%	29.26%	33.19%	35.65%	33.96%	37.53%
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	6/30/2019	6/30/2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

As of fiscal year ending June 30, 2023

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	SAFETY								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$4,225,009	\$5,309,673	\$6,090,350	\$6,985,429	\$8,263,084	\$9,742,714	\$10,620,215	\$12,263,576	\$13,351,978
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)	(12,263,576)	(13,351,978)
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	\$26,760,075	\$26,939,202
Contributions as a percentage of covered payroll	21.59%	26.84%	30.71%	34.11%	38.59%	44.28%	44.77%	45.83%	49.56%
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	6/30/2019	6/30/2020

City of Daly City, Agent Multiple-Employer Defined Benefit OPEB Plan
As of fiscal year ending June 30, 2023
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Measurement Date Ended June 30	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$1,470,697	\$1,514,818	\$1,560,263	\$1,455,663	\$1,480,458	\$1,443,352
Interest	3,449,729	3,567,790	3,690,181	3,500,744	3,541,517	3,174,237
Changes in benefit terms	-	-	(4,588,272)	-	(1,048,749)	-
Differences between expected and actual experience	-	-	(281,571)	(865,013)	581,149	(1,564,568)
Changes of assumptions	-	-	-	-	-	-
Benefit payments	(2,980,461)	(3,170,657)	(3,168,930)	(3,445,074)	(3,482,594)	(3,453,620)
Net change in total OPEB liability	1,939,965	1,911,951	(2,788,329)	646,320	1,071,781	(400,599)
Total OPEB liability - beginning	\$5,215,189	57,155,154	59,067,105	56,278,776	56,925,096	57,996,877
Total OPEB liability - ending (a)	\$57,155,154	\$59,067,105	\$56,278,776	\$56,925,096	\$57,996,877	\$57,596,278
Plan fiduciary net position						
Contributions - employer	\$5,980,461	\$4,170,657	\$3,168,930	\$5,445,074	\$5,482,594	\$4,453,620
Contributions - employee	-	-	-	-	-	-
Net investment income	557,870	604,302	799,047	653,960	2,914,658	(2,477,143)
Administrative expense	(4,247)	(18,096)	(2,447)	(6,040)	(5,425)	(4,993)
Benefit payments	(2,980,461)	(3,170,657)	(3,168,930)	(3,445,074)	(3,482,594)	(3,453,620)
Net change in plan fiduciary net position	3,553,623	1,586,206	796,600	2,647,920	4,909,233	(1,482,136)
Plan fiduciary net position - beginning	6,230,721	9,784,344	11,370,550	12,167,150	14,815,070	19,724,303
Plan fiduciary net position - ending (b)	\$9,784,344	\$11,370,550	\$12,167,150	\$14,815,070	\$19,724,303	\$18,242,167
Net OPEB liability - ending (a)-(b)	\$47,370,810	\$47,696,555	\$44,111,626	\$42,110,026	\$38,272,574	\$39,354,111
Plan fiduciary net position as a percentage of the total OPEB liability	17.12%	19.25%	21.62%	26.03%	34.01%	31.67%
Covered-employee payroll	\$50,082,473	\$49,471,054	\$50,975,693	\$51,740,099	\$54,458,885	\$63,519,016
Net OPEB liability as a percentage of covered-employee payroll	94.59%	96.41%	86.53%	81.39%	70.28%	61.96%

* Fiscal year 2018 was the first year of implementation.

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

As of fiscal year ending June 30, 2023

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$4,441,000	\$5,021,000	\$4,873,000	\$5,264,000	\$5,109,000	\$4,185,306
Contractually required contributions (a)						
Contributions in relation to the contractually required or actuarially determined contributions	(4,407,335)	(4,453,620)	(5,482,594)	(5,445,074)	(3,168,930)	(4,185,306)
Contribution deficiency (excess)	\$33,665	\$567,380	(\$609,594)	(\$181,074)	\$1,940,070	\$0
Covered-employee payroll	\$63,958,980	\$63,519,016	\$54,458,885	\$51,740,099	\$50,975,693	\$49,471,054
Contributions as a percentage of covered-employee payroll	6.89%	7.01%	10.07%	10.52%	6.22%	6.22%

* 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, 2023**

	General	Special Deposits	Traffic Enforcement	Total General Fund
ASSETS				
Cash and investments	\$65,122,676	\$12,264,547	\$681,785	\$78,069,008
Restricted cash and investments	4,477,007			4,477,007
Accounts receivable, net	8,304,025	130,277	2,222	8,436,524
Due from other funds	360,842			360,842
Prepays	252,055			252,055
Inventories	16,554			16,554
Loan receivable				
Loan receivable from Successor Agency	10,907,153			10,907,153
Leases receivable	<u>8,948,142</u>			<u>8,948,142</u>
Total Assets	<u>\$98,388,454</u>	<u>\$12,394,824</u>	<u>\$684,007</u>	<u>\$111,467,285</u>
LIABILITIES				
Accounts payable	\$2,160,943	\$5,359,866		\$7,520,809
Accrued payroll	1,049,321			1,049,321
Deposits payable		6,585,211		6,585,211
Unearned revenue	<u>9,398,182</u>			<u>9,398,182</u>
Total Liabilities	<u>12,608,446</u>	<u>11,945,077</u>		<u>24,553,523</u>
DEFERRED INFLOWS OF RESOURCES				
Related to leases	<u>8,679,820</u>			<u>8,679,820</u>
FUND BALANCES				
Fund Balance				
Nonspendable	11,451,441			11,451,441
Restricted	5,477,007			5,477,007
Assigned	754,432			754,432
Unassigned	<u>59,417,308</u>	<u>449,747</u>	<u>\$684,007</u>	<u>60,551,062</u>
Total Fund Balances	<u>77,100,188</u>	<u>449,747</u>	<u>684,007</u>	<u>78,233,942</u>
Total Liabilities, and Fund Balances	<u>\$98,388,454</u>	<u>\$12,394,824</u>	<u>\$684,007</u>	<u>\$111,467,285</u>

**CITY OF DALY CITY
GENERAL FUND**
**COMBINING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	General	Special Deposits	Traffic Enforcements	Total General Funds
REVENUES				
Property tax	\$48,895,101			\$48,895,101
Sales tax	25,774,755			25,774,755
Utility users tax	6,934,379			6,934,379
Franchise fees	5,016,118			5,016,118
Other taxes	8,268,611			8,268,611
Licenses and permits	2,672,412			2,672,412
Fines and forfeitures	2,617,134		\$11,608	2,628,742
Rents and interest	3,066,973			3,066,973
Federal programs and grants	6,263,152			6,263,152
Receipts from other agencies	1,099,328			1,099,328
Charges and fees	6,515,002	\$14,785		6,529,787
Miscellaneous	1,650,664	3,807		1,654,471
 Total Revenues	 118,773,629	 18,592	 11,608	 118,803,829
EXPENDITURES				
Current:				
General government	14,184,886	1,550		14,186,436
Public safety	70,309,622			70,309,622
Public works	6,222,955			6,222,955
Culture and recreation	14,868,172	3,150		14,871,322
Economic and community development	4,809,084			4,809,084
Debt service:				
Principal	333,164			333,164
Interest	26,870			26,870
 Total Expenditures	 110,754,753	 4,700	 11,608	 110,759,453
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 8,018,876	 13,892	 11,608	 8,044,376
OTHER FINANCING SOURCES (USES)				
Transfers in	3,484,848			3,484,848
Transfers (out)	(3,340,398)			(3,340,398)
 Total Other Financing Sources (Uses)	 144,450			 144,450
 NET CHANGES IN FUND BALANCES	 8,163,326	 13,892	 11,608	 8,188,826
 BEGINNING FUND BALANCES	 68,936,862	 435,855	 672,399	 70,045,116
 ENDING FUND BALANCES	 \$77,100,188	 \$449,747	 \$684,007	 \$78,233,942



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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Rents and interest	\$75,000	\$555,266	\$480,266
Federal programs and grants	\$6,671,010	239,807	(6,431,203)
Receipts from other agencies	6,262,576	432,324	(5,830,252)
Charges and fees	2,231,695	1,681,511	(550,184)
Miscellaneous	<u>560,000</u>	<u>1,536,169</u>	<u>976,169</u>
Total Revenues	<u>15,800,281</u>	<u>4,445,077</u>	<u>(11,355,204)</u>
EXPENDITURES			
Capital projects	27,159,720	2,501,363	24,658,357
Total Expenditures	<u>27,159,720</u>	<u>2,501,363</u>	<u>24,658,357</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(11,359,439)</u>	<u>1,943,714</u>	<u>13,303,153</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,233,451	301,873	(931,578)
Transfers (out)	(4,220,216)	(360,579)	3,859,637
Total Other Financing Sources (Uses)	<u>(2,986,765)</u>	<u>(58,706)</u>	<u>2,928,059</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$14,346,204)</u></u>	<u><u>1,885,008</u></u>	<u><u>\$16,231,212</u></u>
BEGINNING FUND BALANCE		<u><u>27,098,309</u></u>	
ENDING FUND BALANCE		<u><u>\$28,983,317</u></u>	

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:

- Affordable Housing – to account for the activities of the Daly City Housing Development Finance 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.
- Low and Moderate Income Housing Assets – to account for the activities of the Housing Successor Agency to the Daly City Redevelopment Agency.

CITY OF DALY CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Affordable Housing	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	Low and Moderate Income Housing Assets	
ASSETS						
Cash and investments	\$5,183,077		\$586,005	\$112,635	\$823,852	\$6,705,569
Accounts receivable, net		\$533,125				533,125
Notes receivable		921,477				921,477
Property held for development					3,366,888	3,366,888
Total Assets	<u>\$5,183,077</u>	<u>\$1,454,602</u>	<u>\$586,005</u>	<u>\$112,635</u>	<u>\$4,190,740</u>	<u>\$11,527,059</u>
LIABILITIES						
Accounts payable		\$168,073				\$168,073
Accrued payroll	\$664	4,210			\$1,192	6,066
Due to other funds		360,842				360,842
Deposits payable	4,001					4,001
Total Liabilities	<u>4,665</u>	<u>533,125</u>			<u>1,192</u>	<u>538,982</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - loans		921,477				921,477
FUND BALANCES						
Restricted	<u>5,178,412</u>		<u>\$586,005</u>	<u>\$112,635</u>	<u>4,189,548</u>	<u>10,066,600</u>
Total Fund Balances	<u>5,178,412</u>		<u>586,005</u>	<u>112,635</u>	<u>4,189,548</u>	<u>10,066,600</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$5,183,077</u>	<u>\$1,454,602</u>	<u>\$586,005</u>	<u>\$112,635</u>	<u>\$4,190,740</u>	<u>\$11,527,059</u>

CITY OF DALY CITY
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					Total Nonmajor Governmental Funds
	Affordable Housing	Community Block Grant	Linda Vista Benefit Assessment	Traffic Safety	Low and Moderate Income Housing Assets	
REVENUES						
Sales tax						
Rents and interest	\$95,740		\$10,466		\$12,196	\$118,402
Federal programs and grants	65,378	\$1,794,755			562	1,860,695
Charges and fees			44,378	\$33,360		77,738
Miscellaneous	3,450	171,627				175,077
Total Revenues	164,568	1,966,382	54,844	33,360	12,758	2,231,912
EXPENDITURES						
Public safety				17,967		17,967
Public works			24,401			24,401
Economic and community development	87,912	1,543,262			131,945	1,763,119
Debt service:						
Principal		418,000				418,000
Interest		5,121				5,121
Total Expenditures	87,912	1,966,383	24,401	17,967	131,945	2,228,608
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	76,656	(1)	30,443	15,393	(119,187)	3,304
OTHER FINANCING SOURCES (USES)						
Transfers in					247,126	247,126
Total Other Financing Sources (Uses)					247,126	247,126
NET CHANGE IN FUND BALANCES	76,656	(1)	30,443	15,393	127,939	250,430
BEGINNING FUND BALANCES	5,101,756	1	555,562	97,242	4,061,609	9,816,170
ENDING FUND BALANCES	\$5,178,412		\$586,005	\$112,635	\$4,189,548	\$10,066,600

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, 2023

	AFFORDABLE HOUSING			COMMUNITY BLOCK GRANT		
			Variance Positive (Negative)			Variance Positive (Negative)
	Budget	Actual		Budget	Actual	
REVENUES						
Sales tax						
Rents and interest	\$50,000	\$95,740	\$45,740			
Federal programs and grants	1,307,350	65,378	(1,241,972)	\$2,342,937	\$1,794,755	(\$548,182)
Receipts from other agencies						
Charges and fees	3,473,085		(3,473,085)			
Miscellaneous		3,450	3,450	140,595	171,627	31,032
Total Revenues	4,830,435	164,568	(4,665,867)	2,483,532	1,966,382	(517,150)
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						
Economic and Community Development						
Salaries and benefits	54,576	53,548	1,028	547,896	298,196	249,700
Services and supplies	97,496	34,364	63,132	476,961	309,309	167,652
Other charges	5,441,983		5,441,983	791,302	586,347	204,955
Capital outlay				355,490	349,410	6,080
Debt Service:						
Principal				418,000	418,000	
Interest				5,121	5,121	
Total Economic and Community Development	5,594,055	87,912	5,506,143	2,594,770	1,966,383	628,387
Total Expenditures	5,594,055	87,912	5,506,143	2,594,770	1,966,383	628,387
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(763,620)	76,656	840,276	(111,238)	(1)	111,237
OTHER FINANCING SOURCES (USES)						
Transfers in						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(\$763,620)	76,656	\$840,276	(\$111,238)	(1)	\$111,237
BEGINNING FUND BALANCES		5,101,756				1
ENDING FUND BALANCES		\$5,178,412				

LINDA VISTA BENEFIT ASSESSMENT			TRAFFIC SAFETY			LOW AND MODERATE INCOME HOUSING ASSETS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$6,921	\$10,466	\$3,545				\$5,000	\$12,196	\$7,196 562
44,381	44,378	(3)	\$7,080 100	\$33,360	\$26,280 (100)	16,000		(16,000)
51,302	54,844	3,542	7,180	33,360	26,180	21,000	12,758	(8,242)
			28,556 1,146 5,450	12,927	15,629 1,146 410			
			35,152	17,967	17,185			
22,866 4,000 500	22,696 1,204 501	170 2,796 (1)						
27,366	24,401	2,965				100,181 630,304	100,750 31,195	(569) 599,109
27,366	24,401	2,965	35,152	17,967	17,185	730,485	131,945	598,540
23,936	30,443	6,507	(27,972)	15,393	43,365	(709,485)	(119,187)	590,298
						247,126	247,126	
\$23,936	30,443	\$6,507	(\$27,972)	15,393	\$43,365	(\$462,359)	127,939	\$590,298
				97,242			4,061,609	
				\$112,635			\$4,189,548	



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.
- Pension UAL - to account for funding set-aside towards the City's pension unfunded actuarial liability.

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Motor Vehicles	Central Services	PBX	Building Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$7,027,446	\$350,801	\$435,458	\$3,470,974
Cash with fiscal agent				
Accounts receivable, net	31,657			
Inventories	134,959			59,826
Prepays	1,830,457			
Total Current Assets	<u>9,024,519</u>	<u>350,801</u>	<u>435,458</u>	<u>3,530,800</u>
Capital Assets:				
Land				
Buildings	35,817			
Equipment	20,654,925		1,025,840	132,467
Furniture and fixtures				16,490
Subscription assets				
Construction in progress				
Total Capital Assets	<u>20,690,742</u>		<u>1,025,840</u>	<u>148,957</u>
Less Accumulated Depreciation	(12,386,195)		(966,145)	(89,937)
Net Capital Assets	<u>8,304,547</u>		<u>59,695</u>	<u>59,020</u>
Total Assets	<u>17,329,066</u>	<u>350,801</u>	<u>495,153</u>	<u>3,589,820</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	<u>113,144</u>	<u>33,278</u>		<u>252,910</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	163,010	5,627	5,210	65,795
Accrued payroll	13,685	2,397		39,486
Interest payable	56,792			
Accrued claims payable				
Leases payable	421,769			
Subscription liability				
PERS obligation bonds				
Total Current Liabilities	<u>655,256</u>	<u>8,024</u>	<u>5,210</u>	<u>105,281</u>
Long-Term Liabilities:				
Compensated absences	379,531			626,777
Accrued claims payable				
Net OPEB Liability	689,001	202,647		1,540,120
Leases payable	2,495,543			
Subscription liability				
Total Long-Term Liabilities	<u>3,564,075</u>	<u>202,647</u>		<u>2,166,897</u>
Total Liabilities	<u>4,219,331</u>	<u>210,671</u>	<u>5,210</u>	<u>2,272,178</u>
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	<u>63,020</u>	<u>18,535</u>		<u>140,869</u>
NET POSITION				
Net investment in capital assets	7,217,692		59,695	59,020
Restricted for debt service				
Unrestricted	5,942,167	154,873	430,248	1,370,663
Total Net Position (Deficit)	<u>\$13,159,859</u>	<u>\$154,873</u>	<u>\$489,943</u>	<u>\$1,429,683</u>

Information Services	Self-Insurance	PERS Contributions	Pension UAL	Total
\$5,294,006	\$19,768,276	\$9,451,116	\$2,000,000	\$47,798,077
150	75,688	118,160	118,160	
			107,495	
			194,785	
			1,830,457	
<u>5,294,156</u>	<u>19,843,964</u>	<u>9,569,276</u>	<u>2,000,000</u>	<u>50,048,974</u>
	378,343			378,343
			35,817	
4,425,616			26,238,848	
46,614			63,104	
2,419,811			2,419,811	
179,992			179,992	
<u>7,072,033</u>	<u>378,343</u>	<u></u>	<u>29,315,915</u>	<u></u>
(4,883,231)			(18,325,508)	
<u>2,188,802</u>	<u>378,343</u>	<u></u>	<u>10,990,407</u>	<u></u>
7,482,958	20,222,307	9,569,276	2,000,000	61,039,381
<u>73,221</u>	<u>6,656</u>	<u></u>	<u>479,209</u>	<u></u>
48,120	112,638	254,725		655,125
20,157	5,664			81,389
		21,250		78,042
		2,622,041		2,622,041
				421,769
489,837				489,837
		4,325,000		4,325,000
<u>558,114</u>	<u>2,740,343</u>	<u>4,600,975</u>	<u></u>	<u>8,673,203</u>
246,656	258,207			1,511,171
	7,450,959			7,450,959
445,824	40,529			2,918,121
				2,495,543
1,450,871				1,450,871
<u>2,143,351</u>	<u>7,749,695</u>	<u></u>	<u></u>	<u>15,826,665</u>
2,701,465	10,490,038	4,600,975		24,499,868
<u>40,778</u>	<u>3,707</u>	<u></u>	<u></u>	<u>266,909</u>
248,094	378,343			7,962,844
		118,160		118,160
<u>4,565,842</u>	<u>9,356,875</u>	<u>4,850,141</u>	<u>2,000,000</u>	<u>28,670,809</u>
<u>\$4,813,936</u>	<u>\$9,735,218</u>	<u>\$4,968,301</u>	<u>\$2,000,000</u>	<u>\$36,751,813</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, 2023

	Motor Vehicles	Central Services	PBX	Building Maintenance
OPERATING REVENUES				
Charges to City departments	\$6,680,141	\$265,797	\$301,556	\$5,904,856
Other revenues	<u>305,226</u>			<u>4,921</u>
Total Operating Revenues	<u>6,985,367</u>	<u>265,797</u>	<u>301,556</u>	<u>5,909,777</u>
OPERATING EXPENSES				
Salaries and benefits	1,448,865	110,535		3,599,243
Services and supplies	1,918,574	126,176	61,985	1,539,156
Utilities	21,439	365	153,559	283,786
Insurance	866,748	328		10,423
Claims and settlements				
Depreciation	1,125,105		31,146	7,073
Other charges	<u>6,543</u>	<u>4,867</u>		<u>5,366</u>
Total Operating Expenses	<u>5,387,274</u>	<u>242,271</u>	<u>246,690</u>	<u>5,445,047</u>
Operating Income (Loss)	<u>1,598,093</u>	<u>23,526</u>	<u>54,866</u>	<u>464,730</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	4,344	408		187,559
Interest income	138,902	6,451	6,992	62,521
Gain on sale of capital assets	59,771			
Loss on sale of capital assets				
Interest expense	<u>(72,898)</u>			
Total Nonoperating Revenues (Expenses)	<u>130,119</u>	<u>6,859</u>	<u>6,992</u>	<u>250,080</u>
Income (Loss) Before Transfers	<u>1,728,212</u>	<u>30,385</u>	<u>61,858</u>	<u>714,810</u>
Transfers in		24,955		2,445
Transfers out	<u>(475,769)</u>	<u>(14,445)</u>	<u>(6,711)</u>	<u>(361,605)</u>
Net Transfers	<u>(475,769)</u>	<u>10,510</u>	<u>(6,711)</u>	<u>(359,160)</u>
Change in Net Position	<u>1,252,443</u>	<u>40,895</u>	<u>55,147</u>	<u>355,650</u>
BEGINNING NET POSITION (DEFICITS)	<u>11,907,416</u>	<u>113,978</u>	<u>434,796</u>	<u>1,074,033</u>
ENDING NET POSITION (DEFICITS)	<u>\$13,159,859</u>	<u>\$154,873</u>	<u>\$489,943</u>	<u>\$1,429,683</u>

Information Services	Self-Insurance	PERS Contributions	Pension UAL	Total
\$3,579,679	\$8,978,475	\$4,901,354		\$30,611,858
14,831	476,379			801,357
<u>3,594,510</u>	<u>9,454,854</u>	<u>4,901,354</u>		<u>31,413,215</u>
1,745,502	699,033			7,603,178
646,509	434,757	6,158		4,733,315
79,073	1,063			539,285
413	3,350,552			4,228,464
	2,336,204			2,336,204
1,273,518				2,436,842
158,153	9,650			184,579
<u>3,903,168</u>	<u>6,831,259</u>	<u>6,158</u>		<u>22,061,867</u>
(308,658)	2,623,595	4,895,196		9,351,348
5,234	10,195			207,740
92,421	309,017	116,713		733,017
				59,771
(265,122)				(265,122)
(11,111)		(467,135)		(551,144)
<u>(178,578)</u>	<u>319,212</u>	<u>(350,422)</u>		<u>184,262</u>
(487,236)	2,942,807	4,544,774		9,535,610
76,276			\$2,000,000	2,103,676
(192,788)	(105,275)	(1,000,000)		(2,156,593)
(116,512)	(105,275)	(1,000,000)	2,000,000	(52,917)
(603,748)	2,837,532	3,544,774	2,000,000	9,482,693
5,417,684	6,897,686	1,423,527		27,269,120
<u>\$4,813,936</u>	<u>\$9,735,218</u>	<u>\$4,968,301</u>	<u>\$2,000,000</u>	<u>\$36,751,813</u>

**CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Motor Vehicles	Central Services	PBX	Building Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$6,977,144	\$265,797	\$301,556	\$5,909,847
Payments to suppliers	(4,711,560)	(131,822)	(215,690)	(1,930,022)
Payments to employees	(1,280,843)	(120,533)		(3,475,350)
Claims paid				
Cash Flows from (used for) Operating Activities	<u>984,741</u>	<u>13,442</u>	<u>85,866</u>	<u>504,475</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on noncapital debt				
Interest paid on noncapital debt				
Intergovernmental	4,344	408		187,559
Interfund receipts		24,955		2,445
Interfund payments	(475,769)	(14,445)	(6,711)	(361,605)
Cash Flows from (used for) Noncapital Financing Activities	<u>(471,425)</u>	<u>10,918</u>	<u>(6,711)</u>	<u>(171,601)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets		(2,420,949)		
Proceeds from sale of capital assets		59,771		
Issuance of lease		1,830,457		
Principal paid on subscription liabilities				
Interest paid on subscription liabilities				
Principal paid on capital debt	(200,711)			
Interest paid on capital debt	(34,377)			
Cash Flows from (used for) Capital and Related Financing Activities	<u>(765,809)</u>			
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income (expense)	<u>138,902</u>	<u>6,451</u>	<u>6,992</u>	<u>62,521</u>
Net Cash Flows	<u>(113,591)</u>	<u>30,811</u>	<u>86,147</u>	<u>395,395</u>
Cash and investments at beginning of period	<u>7,141,037</u>	<u>319,990</u>	<u>349,311</u>	<u>3,075,579</u>
Cash and investments at end of period	<u>\$7,027,446</u>	<u>\$350,801</u>	<u>\$435,458</u>	<u>\$3,470,974</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$1,598,093	\$23,526	\$54,866	\$464,730
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,125,105		31,146	7,073
Change in assets and liabilities:				
Receivables, net	(8,223)			70
Inventories	(5,844)			4,700
Prepays	(1,830,457)			
Accounts payable	(61,955)	(86)	(146)	(95,991)
Accrued claims payable				
Accrued payroll	5,556	178		3,409
Compensated absences	197,063			197,815
OPEB related items	(34,597)	(10,176)		(77,331)
Cash Flows from (used for) Operating Activities	<u>\$984,741</u>	<u>\$13,442</u>	<u>\$85,866</u>	<u>\$504,475</u>
NONCASH TRANSACTIONS				
Subscription assets				
Subscription liabilities				
Retirement of capital assets				

Information Services	Self-Insurance	PERS Contributions	Pension UAL	Total
\$3,594,360	\$9,404,088	\$4,901,354		\$31,354,146
(1,067,474)	(3,698,040)	(2,500)		(11,757,108)
(1,681,841)	(490,860)			(7,049,427)
	(2,750,204)			(2,750,204)
<u>845,045</u>	<u>2,464,984</u>	<u>4,898,854</u>		<u>9,797,407</u>
		(3,925,000)		(3,925,000)
		(486,420)		(486,420)
5,234	10,195			207,740
76,276		\$2,000,000		2,103,676
(192,788)	(105,275)	(1,000,000)		(2,156,593)
<u>(111,278)</u>	<u>(95,080)</u>	<u>(5,411,420)</u>	<u>2,000,000</u>	<u>(4,256,597)</u>
(100,595)				(2,521,544)
				59,771
				1,830,457
(479,103)				(479,103)
(11,111)				(11,111)
				(200,711)
				(34,377)
<u>(590,809)</u>				<u>(1,356,618)</u>
92,421	309,017	116,713		733,017
235,379	2,678,921	(395,853)	2,000,000	4,917,209
5,058,627	17,089,355	9,965,129		42,999,028
<u>\$5,294,006</u>	<u>\$19,768,276</u>	<u>\$9,569,276</u>	<u>\$2,000,000</u>	<u>\$47,916,237</u>
(\$308,658)	\$2,623,595	\$4,895,196		\$9,351,348
1,273,518				2,436,842
(150)	(50,766)			(59,069)
				(1,144)
				(1,830,457)
(183,326)	97,982	3,658		(239,864)
	(414,000)			(414,000)
5,847	1,353			16,343
80,200	208,857			683,935
(22,386)	(2,037)			(146,527)
<u>\$845,045</u>	<u>\$2,464,984</u>	<u>\$4,898,854</u>		<u>\$9,797,407</u>
<u>\$1,328,754</u>				<u>\$1,328,754</u>
<u>(\$1,328,754)</u>				<u>(\$1,328,754)</u>
<u>(\$265,122)</u>				<u>(\$265,122)</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
JUNE 30, 2023**

	Billing Services	Supporters of Senior Center	Total
ASSETS			
Current Assets:			
Cash and investments	\$1,527,126	\$524,011	\$2,051,137
Accounts receivable, net	2,806,675	90,000	2,896,675
Total Assets	<u>4,333,801</u>	<u>614,011</u>	<u>4,947,812</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	4,333,801	2,279	4,336,080
Total Liabilities	<u>4,333,801</u>	<u>2,279</u>	<u>4,336,080</u>
NET POSITION			
Restricted for other organizations		611,732	611,732
Total Net Position (Deficit)		<u><u>\$611,732</u></u>	<u><u>\$611,732</u></u>

**CITY OF DALY CITY
CUSTODIAL FUNDS**
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Billing Services	Supporters of Senior Center	Total
ADDITIONS			
Receipts from other agencies	_____	\$90,000	\$90,000
Total Additions	_____	90,000	90,000
DEDUCTIONS			
Culture and recreation	_____	1,397	1,397
Total Deductions	_____	1,397	1,397
Change in Net Position		88,603	88,603
BEGINNING NET POSITION	_____	523,129	523,129
ENDING NET POSITION (DEFICITS)	_____	\$611,732	\$611,732



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. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. 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

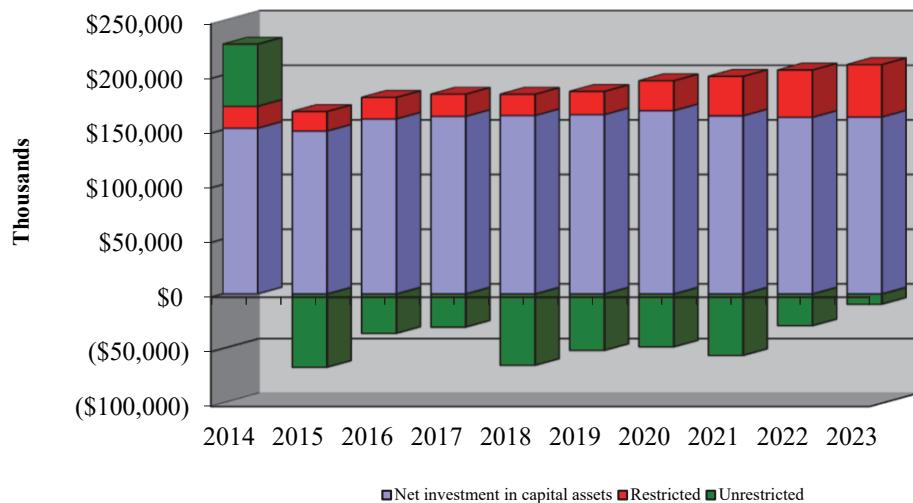
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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)



	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$84,272,501	\$82,583,587	\$94,823,140	\$97,821,524	\$97,958,640
Restricted	20,021,555	17,933,727	19,744,996	20,315,097	19,491,867
Unrestricted	22,495,121	(88,028,802)	(64,966,915)	(62,902,410)	(92,551,797)
Total governmental activities net position	<u>\$126,789,177</u>	<u>\$12,488,512</u>	<u>\$49,601,221</u>	<u>\$55,234,211</u>	<u>\$24,898,710</u>
Business-type activities					
Net investment in capital asset	\$67,235,990	\$66,278,166	\$65,118,626	\$64,499,223	\$65,137,866
Restricted	11,229	11,231	11,250	11,250	11,281
Unrestricted	34,392,335	20,914,381	28,846,650	32,508,857	27,207,951
Total business-type activities net position	<u>\$101,639,554</u>	<u>\$87,203,778</u>	<u>\$93,976,526</u>	<u>\$97,019,330</u>	<u>\$92,357,098</u>
Primary government					
Net investment in capital assets	\$151,508,491	\$148,861,753	\$159,941,766	\$162,320,747	\$163,096,506
Restricted	20,032,784	17,944,958	19,756,246	20,326,347	19,503,148
Unrestricted	56,887,456	(67,114,421)	(36,120,265)	(30,393,553)	(65,343,846)
Total primary government net position	<u>\$228,428,731</u>	<u>\$99,692,290</u>	<u>\$143,577,747</u>	<u>\$152,253,541</u>	<u>\$117,255,808</u>
	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$97,757,236	\$100,413,948	\$96,788,966	\$96,249,039	\$96,664,081
Restricted	21,237,769	27,367,081	36,133,323	41,351,763	45,536,946
Unrestricted	(76,426,827)	(76,136,850)	(87,745,203)	(74,481,450)	(64,018,657)
Total governmental activities net position	<u>\$42,568,178</u>	<u>\$51,644,179</u>	<u>\$45,177,086</u>	<u>\$63,119,352</u>	<u>\$78,182,370</u>
Business-type activities					
Net investment in capital assets	\$66,160,150	\$67,108,189	\$66,028,084	\$65,244,523	\$65,069,161
Restricted	11,387	11,325	11,324	1,886,963	2,442,739
Unrestricted	24,735,488	27,617,595	31,433,874	45,343,377	54,584,785
Total business-type activities net position	<u>\$90,907,025</u>	<u>\$94,737,109</u>	<u>\$97,473,282</u>	<u>\$112,474,863</u>	<u>\$122,096,685</u>
Primary government					
Net investment in capital assets	\$163,917,386	\$167,522,137	\$162,817,050	\$161,493,562	\$161,733,242
Restricted	21,249,156	27,378,406	36,144,647	43,238,726	47,979,685
Unrestricted	(51,691,339)	(48,519,255)	(56,311,329)	(29,138,073)	(9,433,872)
Total primary government net position	<u>\$133,475,203</u>	<u>\$146,381,288</u>	<u>\$142,650,368</u>	<u>\$175,594,215</u>	<u>\$200,279,055</u>

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

	For the Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$10,889,822	\$9,669,627	\$10,685,635	\$7,972,197
Public safety	42,704,694	43,774,625	45,867,228	63,616,023
Public works	5,597,137	7,579,522	8,196,165	7,573,579
Streets and infrastructure	3,318,214	3,466,347	4,014,914	3,335,132
Culture and recreation	13,350,277	11,621,738	12,263,494	10,221,420
Economic and community development	3,592,174	4,718,470	4,099,948	3,083,160
Nondepartmental				
Interest on long term debt	166,114	172,642	40,000	
Total governmental activities expenses	<u>79,618,432</u>	<u>81,002,971</u>	<u>85,167,384</u>	<u>95,801,511</u>
Business-type activities:				
Water	13,337,352	14,451,497	16,082,814	14,954,595
Civic center	841,901	853,913	892,003	800,786
Transfer station	165,477	178,290	37,579	206,918
Sanitation district	18,262,624	18,629,686	14,325,333	16,357,133
Total business-type activities expenses	<u>32,607,354</u>	<u>34,113,386</u>	<u>31,337,729</u>	<u>32,319,432</u>
Total primary government expenses	<u><u>\$112,225,786</u></u>	<u><u>\$115,116,357</u></u>	<u><u>\$116,505,113</u></u>	<u><u>\$128,120,943</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$1,034,252	\$5,054,225	\$4,074,661	\$3,850,838
Public safety	4,454,105	5,403,840	6,490,600	6,833,086
Public works	1,036,109	1,528,698	2,524,779	994,308
Streets and infrastructure	1,135,335	1,283,105	1,528,812	1,432,015
Culture and recreation	2,812,145	2,989,174	3,162,473	2,906,739
Economic and community development	2,243,212	4,961,729	6,162,433	4,645,536
Operating grants and contributions	7,901,753	8,467,395	6,311,937	6,293,562
Capital grants and contributions	325,832	3,355,718	2,492,055	1,824,697
Total governmental activities program revenues	<u>20,942,743</u>	<u>33,043,884</u>	<u>32,747,750</u>	<u>28,780,781</u>
Business-type activities:				
Charges for services:				
Water	18,095,452	18,731,931	16,645,244	17,186,882
Civic center	834,950	976,374	695,906	676,391
Transfer station	375,000	375,000	281,250	
Sanitation district	16,676,480	18,416,575	19,695,887	19,284,396
Operating grants and contributions				
Total business-type activities program revenues	<u>35,981,882</u>	<u>38,499,880</u>	<u>37,318,287</u>	<u>37,147,669</u>
Total primary government program revenues	<u><u>\$56,924,625</u></u>	<u><u>\$71,543,764</u></u>	<u><u>\$70,066,037</u></u>	<u><u>\$65,928,450</u></u>
Net (Expense)/Revenue				
Governmental activities	(\$58,675,689)	(\$47,959,087)	(\$52,419,634)	(\$67,020,730)
Business-type activities	3,374,528	4,386,494	5,980,558	4,828,237
Total primary government net expense	<u><u>(\$55,301,161)</u></u>	<u><u>(\$43,572,593)</u></u>	<u><u>(\$46,439,076)</u></u>	<u><u>(\$62,192,493)</u></u>

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

For the Fiscal Year Ended June 30,

2018	2019	2020	2021	2022	2023
\$11,936,041	\$12,476,872	\$12,998,948	\$13,339,758	\$14,340,037	\$14,303,115
55,603,978	56,118,396	65,368,018	67,486,476	58,797,739	70,765,037
10,963,753	12,218,279	14,216,669	17,734,741	16,152,556	15,855,694
2,198,287	1,955,081 (a)		(a)		
12,412,166	12,446,541	12,597,628	10,761,931	14,579,848	16,742,550
5,194,603	4,107,836	4,649,920	5,193,416	7,500,998	6,884,119
1,373,040	1,230,480	1,160,227	820,486	729,892	578,865
99,681,868	100,553,485	110,991,410	115,336,808	112,101,070	125,129,380
17,406,932	15,811,469	17,107,407	16,761,016	15,284,885	18,874,866
961,868	792,490	832,870	863,506	935,680	997,790
266,241	234,590	28,709	(213)		
22,460,549	23,578,769	26,304,502	28,264,570	20,832,712	30,021,570
41,095,590	40,417,318	44,273,488	45,888,879	37,053,277	49,894,226
\$140,777,458	\$140,970,803	\$155,264,898	\$161,225,687	\$149,154,347	\$175,023,606
\$4,459,835	\$664,292	\$743,003	\$422,110	\$724,161	\$625,126
7,140,073	5,780,948	6,619,952	5,371,364	5,430,260	5,273,795
1,304,594	1,355,782	4,062,420	4,113,341	4,118,081	3,559,037
1,705,245	1,244,532 (a)		(a)		
3,115,467	2,859,075	2,105,126	502,031	1,495,986	2,127,987
4,582,767	3,900,404	4,704,318	4,054,903	4,171,831	3,287,643
6,774,088	11,518,920	17,017,844	18,280,149	18,038,910	16,099,060
1,233,529	5,520,111	4,597,424	2,472,075	7,696,982	6,952,706
30,315,598	32,844,064	39,850,087	35,215,973	41,676,211	37,925,354
18,879,659	20,671,704	23,385,773	23,672,903	25,984,982	27,892,142
589,569	801,304	844,360	881,616	1,341,880	1,318,174
21,507,323	22,712,582	22,679,620	23,364,666	23,623,875	25,132,013
40,976,551	44,185,590	46,909,753	47,919,185	53,070,153	56,404,916
\$71,292,149	\$77,029,654	\$86,759,840	\$83,135,158	\$94,746,364	\$94,330,270
(\$69,366,270)	(\$67,709,421)	(\$71,141,323)	(\$80,120,835)	(\$70,424,859)	(\$87,204,026)
(119,039)	3,768,272	2,636,265	2,030,306	16,016,876	6,510,690
(\$69,485,309)	(\$63,941,149)	(\$68,505,058)	(\$78,090,529)	(\$54,407,983)	(\$80,693,336)

(Continued)

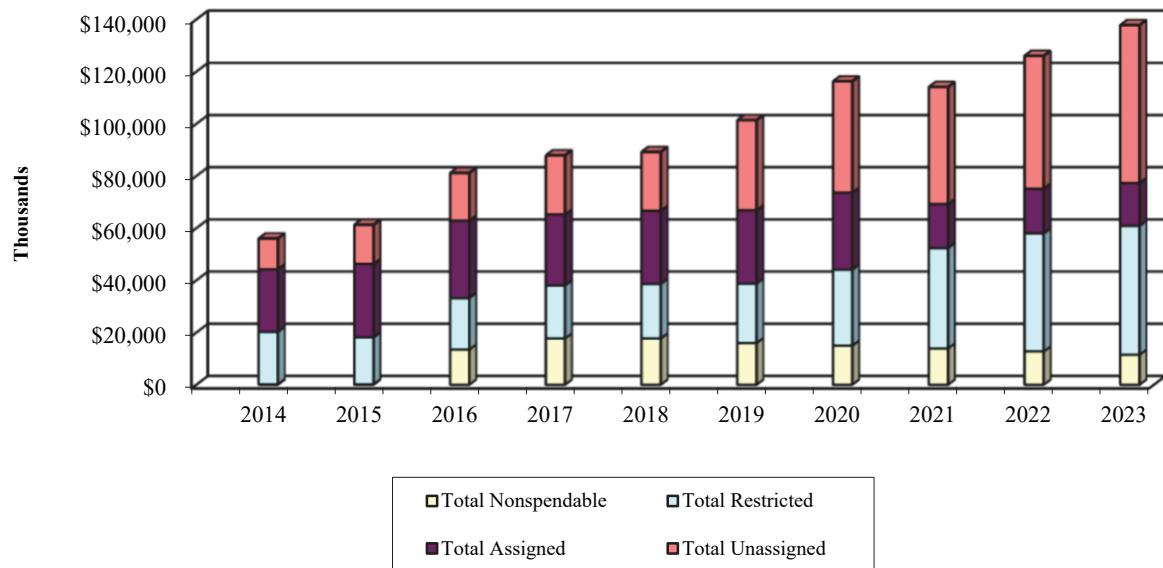
CITY OF DALY CITY
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$26,609,070	\$29,327,703	\$29,591,108	\$31,417,252
Sales taxes	12,594,335	12,379,135	13,688,644	13,805,186
Utility users tax	6,422,821	6,399,410	6,099,207	6,299,448
Franchise fees	3,663,247	3,675,411	3,828,424	3,878,461
Other taxes	5,247,886	5,322,471	5,761,695	6,017,318
Motor vehicle in-lieu		44,416		
Investment earnings	925,838	467,009	828,112	700,994
Other revenues	3,936,433	1,061,054	1,110,702	1,379,422
Transfers	2,853,466	2,983,597	2,060,161	4,616,272
Gain/(Loss) on sale of property		(3,003,763)	41,913	
Extraordinary or Special item			26,522,377	
Total government activities	<u>62,253,096</u>	<u>58,656,443</u>	<u>89,532,343</u>	<u>68,114,353</u>
Business-type activities:				
Property taxes	1,558,773	1,713,895	1,754,195	1,859,194
Investment earnings	493,501	265,045	385,674	196,380
Other revenues	918,589	2,350,952	712,482	775,265
Gain/(Loss) on sale of property	5,065			
Transfers	(2,853,466)	(2,983,597)	(2,060,161)	(4,616,272)
Extraordinary item or special item				4,579,613
Total business-type activities	<u>122,462</u>	<u>1,346,295</u>	<u>792,190</u>	<u>2,794,180</u>
Total primary government	<u><u>\$62,375,558</u></u>	<u><u>\$60,002,738</u></u>	<u><u>\$90,324,533</u></u>	<u><u>\$70,908,533</u></u>
Change in Net Position				
Governmental activities	\$3,577,407	\$10,697,356	\$37,112,709	\$1,093,623
Business-type activities	3,496,990	5,732,789	6,772,748	7,622,417
Total primary government	<u><u>\$7,074,397</u></u>	<u><u>\$16,430,145</u></u>	<u><u>\$43,885,457</u></u>	<u><u>\$8,716,040</u></u>

For the Fiscal Year Ended June 30,

2018	2019	2020	2021	2022	2023
\$33,069,899	\$36,699,766	\$37,261,483	\$33,949,879	\$45,611,135	\$48,895,101
15,232,989	17,699,000	16,371,691	18,566,645	24,157,170	25,774,755
5,977,178	5,906,694	5,769,697	5,912,945	6,008,575	6,934,379
4,022,440	4,178,006	4,536,241	4,255,982	4,909,174	5,016,118
6,408,495	6,854,372	7,278,295	7,300,774	7,587,013	8,268,611
1,058,264	3,113,786	4,581,480	(109,320)	(4,574,540)	3,529,876
1,614,584	1,685,805	1,360,090	1,150,745	2,059,402	2,454,244
2,188,873	1,524,773	3,058,347	2,282,058	2,574,893	1,393,960
217,111	11,639		344,034	34,303	
69,789,833	77,673,841	80,217,324	73,653,742	88,367,125	102,267,044
1,957,737	2,172,460	2,254,033	2,335,681	2,415,701	2,620,296
268,803	1,096,328	1,518,068	7,164	(1,374,982)	1,067,422
914,539	742,688	478,919	643,228	517,376	815,175
		1,146	1,852	1,503	2,199
(2,188,873)	(1,524,773)	(3,058,347)	(2,282,058)	(2,574,893)	(1,393,960)
952,206	2,486,703	1,193,819	705,867	(1,015,295)	3,111,132
\$70,742,039	\$80,160,544	\$81,411,143	\$74,359,609	\$87,351,830	\$105,378,176
\$423,563	\$9,964,420	\$9,076,001	(\$6,467,093)	\$17,942,266	\$15,063,018
833,167	6,254,975	3,830,084	2,736,173	15,001,581	9,621,822
\$1,256,730	\$16,219,395	\$12,906,085	(\$3,730,920)	\$32,943,847	\$24,684,840

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



	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$186,129	\$194,403	\$13,453,512	\$17,721,519	\$17,684,920
Restricted					3,016,958
Assigned	12,103,389	12,220,256	12,098,569	12,111,209	12,047,395
Unassigned	11,838,923	15,059,052	18,329,649	22,681,817	22,589,341
Total General Fund	<u>\$24,128,441</u>	<u>\$27,473,711</u>	<u>\$43,881,730</u>	<u>\$52,514,545</u>	<u>\$55,338,614</u>
All Other Governmental Funds					
Nonspendable			\$2,211	\$6,998	\$29,668
Restricted	\$20,021,531	\$17,933,698	19,742,741	20,304,044	17,897,042
Assigned	11,873,724	15,906,433	17,525,314	15,076,221	15,972,732
Unassigned				2,072	
Total all other governmental funds	<u>\$31,895,255</u>	<u>\$33,840,131</u>	<u>\$37,270,266</u>	<u>\$35,389,335</u>	<u>\$33,899,442</u>
All Governmental Funds					
Total Nonspendable	\$186,129	\$194,403	\$13,455,723	\$17,728,517	\$17,714,588
Total Restricted	20,021,531	17,933,698	19,742,741	20,304,044	20,914,000
Total Assigned	23,977,113	28,126,689	29,623,883	27,187,430	28,020,127
Total Unassigned	11,838,923	15,059,052	18,329,649	22,683,889	22,589,341
Total All Governmental Funds	<u>\$56,023,696</u>	<u>\$61,313,842</u>	<u>\$81,151,996</u>	<u>\$87,903,880</u>	<u>\$89,238,056</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,				
2019	2020	2021	2022	2023
\$15,927,953	\$14,955,064	\$13,875,487	\$12,728,449	\$11,451,441
3,198,748	3,382,363	3,746,447	5,332,892	5,477,007
12,291,473	12,663,807	375,051	1,055,425	754,432
34,684,815	42,666,860	44,913,148	50,928,350	60,551,062
<u>\$66,102,989</u>	<u>\$73,668,094</u>	<u>\$62,910,133</u>	<u>\$70,045,116</u>	<u>\$78,233,942</u> (a)
\$29,738	\$34,625	\$25,184	\$24,801	\$28,151
19,592,976	25,695,472	34,689,298	39,903,527	43,891,822
15,753,688	16,870,159	16,491,889	16,069,890	15,664,989
(86,950)		(114)		
<u>\$35,289,452</u>	<u>\$42,600,256</u>	<u>\$51,206,257</u>	<u>\$55,998,218</u>	<u>\$59,584,962</u> (a)
\$15,957,691	\$14,989,689	\$13,900,671	\$12,753,250	\$11,479,592
22,791,724	29,077,835	38,435,745	45,236,419	49,368,829
28,045,161	29,533,966	16,866,940	17,125,315	16,419,421
34,597,865	42,666,860	44,913,034	50,928,350	60,551,062
<u>\$101,392,441</u>	<u>\$116,268,350</u>	<u>\$114,116,390</u>	<u>\$126,043,334</u>	<u>\$137,818,904</u>

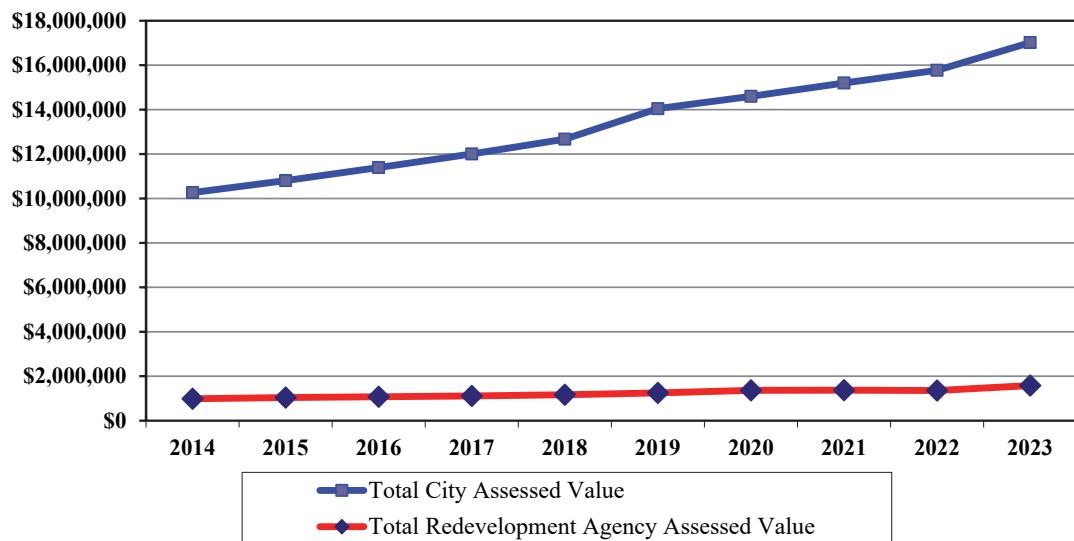
CITY OF DALY CITY
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Revenues				
Taxes	\$58,493,320	\$60,767,789	\$61,030,589	\$63,536,267
Licenses, permits and fees	1,697,703	2,679,745	2,889,367	3,023,889
Fines and forfeitures	2,301,580	2,740,510	3,442,372	3,850,382
Use of money and property	1,864,656	1,499,885	1,841,802	1,636,285
Intergovernmental revenues	3,511,403	6,092,246	4,218,152	5,526,235
Charges for services	7,757,549	12,763,912	14,632,874	9,771,337
Other	4,615,471	5,307,064	5,527,147	4,989,727
Total Revenues	80,241,682	91,851,151	93,582,303	92,334,122
Expenditures				
Current:				
General government	10,882,785	9,495,891	10,777,041	10,067,504
Public safety	42,737,888	44,972,711	49,047,952	50,681,833
Public works	4,712,465	7,053,586	7,589,698	8,480,954
Culture and recreation	11,932,443	10,085,356	10,569,151	10,802,067
Community development	3,896,212	4,917,443	4,306,935	4,340,191
Capital projects	4,149,538	4,359,239	5,726,698	10,019,069
Debt service:				
Principal repayment	227,000	244,000	260,000	279,000
Interest and fiscal charges	170,919	235,066	28,730	41,216
Total Expenditures	78,709,250	81,363,292	88,306,205	94,711,834
Excess (deficiency) of revenues over (under) expenditures	1,532,432	10,487,859	5,276,098	(2,377,712)
Other Financing Sources (Uses)				
Sale of property		(3,003,763)	1,600	262,490
Amount paid to State		(3,750,000)		
Transfers in	5,523,006	6,306,265	5,561,713	6,633,748
Transfers out	(5,369,677)	(4,750,215)	(4,776,760)	(2,346,255)
Total other financing sources (uses)	153,329	(5,197,713)	786,553	4,549,983
Extraordinary items				
Assets transferred to/liabilities assumed by Successor Agency				4,579,613
Net Change in fund balances	\$1,685,761	\$5,290,146	\$6,062,651	\$6,751,884
Debt service as a percentage of noncapital expenditures	0.5%	0.6%	0.3%	0.3%

For the Fiscal Year Ended June 30,

2018	2019	2020	2021	2022	2023
\$66,939,056	\$75,573,768	\$75,484,516	\$74,390,755	\$96,655,679	\$103,763,854
2,727,875	2,970,667	3,013,080	2,981,237	3,015,932	2,672,412
3,678,828	3,379,319	3,700,904	3,040,526	2,329,138	2,628,742
2,040,295	3,831,438	5,007,732	564,446	(2,672,633)	4,100,403
5,378,283	8,922,550	14,405,495	13,652,973	14,248,317	11,555,716
9,992,458	11,417,260	12,764,998	9,035,012	9,958,944	9,446,298
6,785,029	2,293,810	1,936,781	2,824,687	4,853,670	3,426,969
<u>97,541,824</u>	<u>108,388,812</u>	<u>116,313,506</u>	<u>106,489,636</u>	<u>128,389,047</u>	<u>137,594,394</u>
10,259,919	9,076,400	10,354,151	12,823,394	13,442,306	14,274,854
51,147,772	54,547,977	56,894,801	63,791,207	68,828,825	70,593,526
8,895,892	9,173,452	9,588,658	9,426,845	9,984,304	10,962,873
10,637,826	11,624,964	11,946,087	10,196,627	13,350,626	15,300,173
5,115,492	4,531,036	4,841,980	5,476,383	7,476,122	6,777,669
6,927,154	7,201,911	10,683,817	9,639,122	6,155,124	8,573,451
298,000	319,000	341,000	365,000	458,851	751,164
38,672	35,165	29,838	23,020	18,134	31,991
<u>93,320,727</u>	<u>96,509,905</u>	<u>104,680,332</u>	<u>111,741,598</u>	<u>119,714,292</u>	<u>127,265,701</u>
4,221,097	11,878,907	11,633,174	(5,251,962)	8,674,755	10,328,693
179,922	11,639		379,095		
4,030,049	6,278,010	8,486,521	13,712,986	17,645,383	7,740,180
(7,096,892)	(6,014,171)	(5,243,786)	(10,992,079)	(14,393,194)	(6,293,303)
<u>(2,886,921)</u>	<u>275,478</u>	<u>3,242,735</u>	<u>3,100,002</u>	<u>3,252,189</u>	<u>1,446,877</u>
<u>\$1,334,176</u>	<u>\$12,154,385</u>	<u>\$14,875,909</u>	<u>(\$2,151,960)</u>	<u>\$11,926,944</u>	<u>\$11,775,570</u>
0.4%	0.4%	0.4%	0.4%	0.4%	0.6%

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

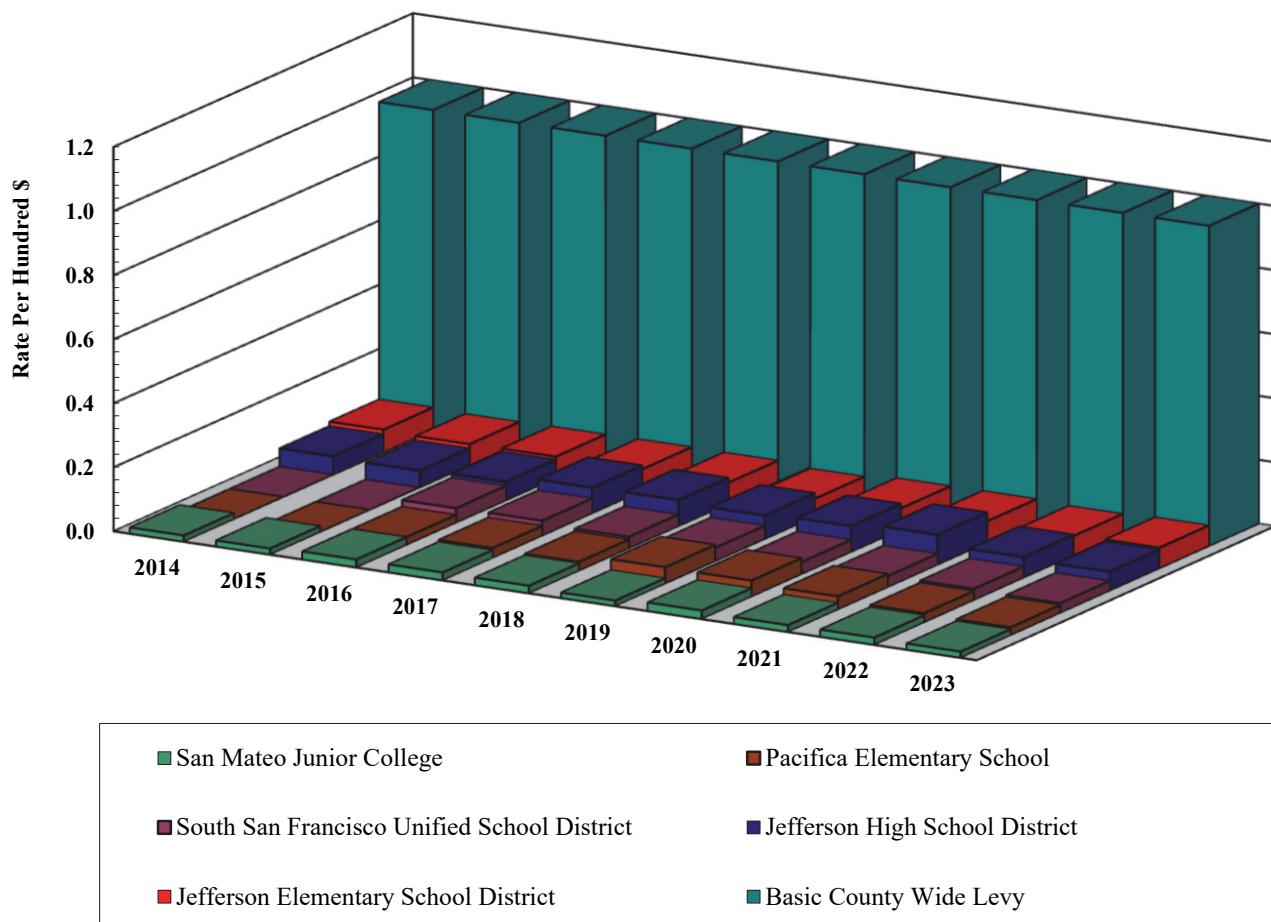


Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate (2)
	Secured	Unsecured	Exemptions	Total Assessed Value (1)	Secured	Unsecured	Exemptions	Total Assessed Value (1)	
2014	\$8,951,230	\$227,850	\$100,563	\$9,279,643	\$929,050	\$51,354	\$6,413	\$986,817	1.00%
2015	9,426,340	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%
2022	14,077,399	243,862	93,499	14,414,760	1,304,636	45,533	5,974	1,356,143	1.00%
2023	15,108,819	234,239	92,707	15,435,765	1,517,826	57,274	6,079	1,581,179	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



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
Ten Year History

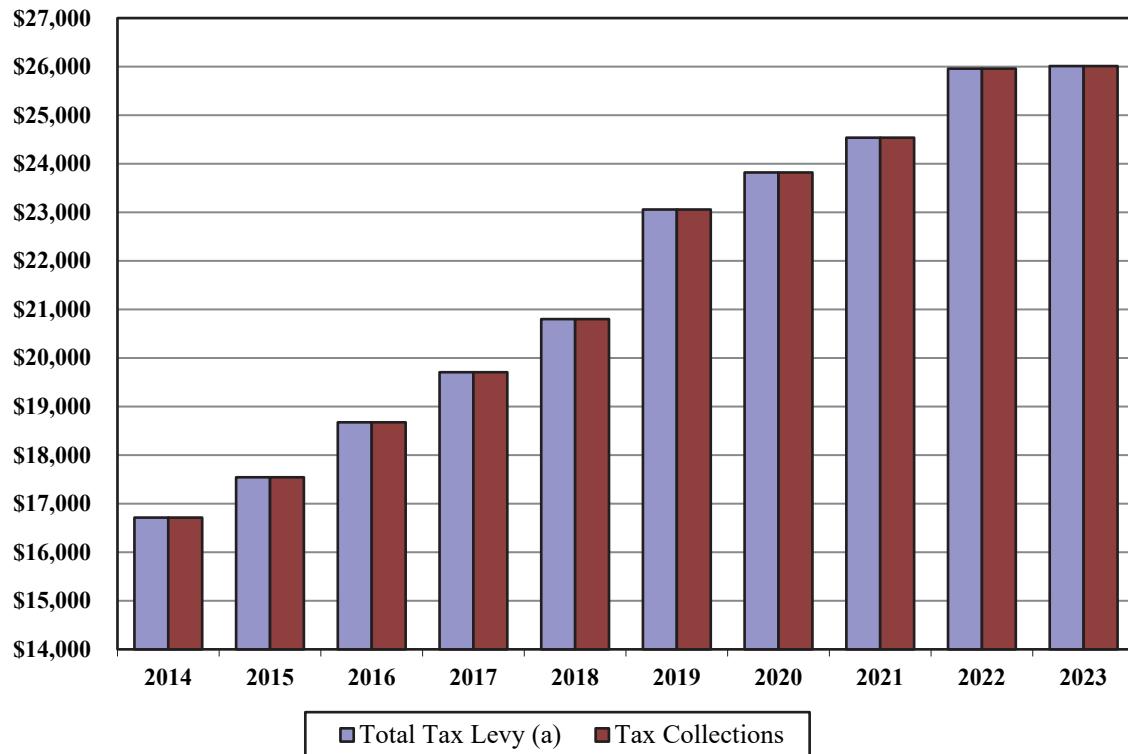
Taxpayer	2022-23			2013-2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Daly City Serramonte Center LLC	\$498,183,967	1	3.25%	\$183,596,349	1	2.00%
Westlake Assoc Lessee	296,360,733	2	1.93%	124,351,219	3	1.35%
Kimco Westlake Lp	177,973,934	3	1.16%	153,372,592	2	1.67%
SMC Coastside Properties LLC	167,790,000	4	1.09%			
BP3-SF7 2001 JS Owner LLC	122,767,132	5	0.80%			
Skyline Heights Llc	97,069,886	6	0.63%			
Westlake Skyline Plaza LLC	73,285,216	7	0.48%			
SP Peninsula Del Rey LLC	71,026,971	8	0.46%			
Daly City Partners LLC	54,986,692	9	0.36%			
EQR Hillside LP	47,238,197	10	0.31%	40,364,220	8	0.44%
DB Real Estate Pacific Plaza P	-			86,054,399	4	0.94%
Century Theaters Inc Lessee	-			59,884,610	5	0.65%
Wasl Daly City Investors V	-			56,600,651	6	0.62%
Seton Medical Center	-			42,213,102	7	0.46%
Serramonte Corp Center LLC	-			39,826,520	9	0.43%
Daly Skyline Assoc LLC				39,574,436	10	0.43%
Subtotal	\$1,606,682,728		10.47%	\$825,838,098		9.00%

Total Assessed Valuation:

Fiscal Year 2022-2023	\$15,343,058,026
Fiscal Year 2013-2014	\$9,179,079,455

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)



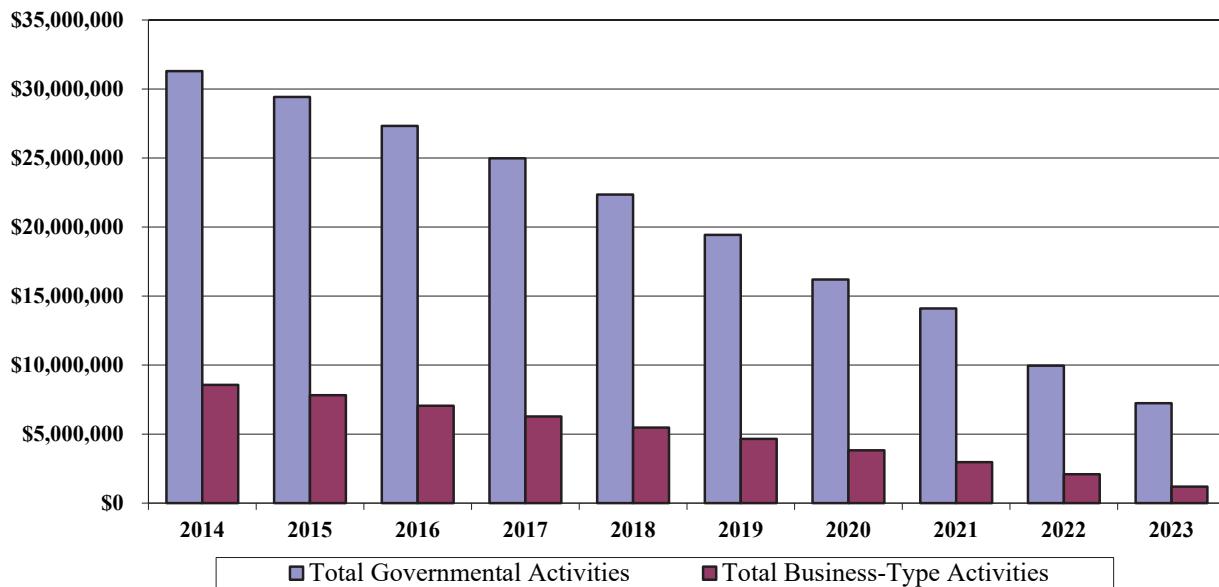
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	\$16,713	\$16,713	100.00%		\$16,713	100.00%
2015	17,543	17,543	100.00%		17,543	100.00%
2016	18,675	18,675	100.00%		18,675	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%
2022	25,959	25,959	100.00%		25,959	100.00%
2023	26,011	26,011	100.00%		26,011	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 delinquent charges collected.

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



Fiscal Year	Governmental Activities				Total
	Leases Payable	HUD Section 108		PERS Pension Obligation Bonds	
		Loan	Total	Bonds	
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	
2022	1,287,566	418,000	8,250,000	9,955,566	
2023	2,917,312		4,325,000	7,242,312	

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)			
	Water Revenue Bond	State Water Resources Board Loan							
		Total							
2014	\$5,815,000	\$2,748,449	\$8,563,449	\$39,857,449	1.33%	\$379.32			
2015	5,290,000	2,528,282	7,818,282	37,243,282	1.22%	351.98			
2016	4,750,000	2,302,610	7,052,610	34,377,610	0.90%	316.73			
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%	220.76			
2020	2,480,000	1,342,080	3,822,080	20,020,080	0.54%	183.43			
2021	1,880,000	1,086,754	2,966,754	17,067,810	0.49%	157.16			
2022	1,265,000	825,045	2,090,045	16,191,101	0.46%	149.09			
2023	640,000	556,791	1,196,791	8,439,103	0.20%	83.17			

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	Less: Amounts Restricted in Pers Contribution Internal Service Fund	Total Net Debt	Percentage of Personal Income (a)	Per Capita (a)
2014	\$28,380,000	\$24	\$28,379,976	0.94%	\$270.09
2015	26,755,000	29	26,754,971	0.88%	252.86
2016	24,915,000	44	24,914,956	0.65%	229.55
2017	22,845,000	1,983	22,843,017	0.66%	212.03
2018	20,520,000	23,990	20,496,010	0.51%	190.02
2019	17,920,000	76,072	17,843,928	0.45%	163.52
2020	15,025,000	109,625	14,915,375	0.40%	136.66
2021	11,810,000	549	11,809,451	0.34%	108.74
2022	8,250,000	1,447	8,248,553	0.20%	78.66
2023	4,325,000	118,160	4,206,840	0.10%	41.46

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, 2023

2022-2023 Assessed Valuation \$15,435,764,556

<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	Total Debt 06/30/23	% Applicable (1)	City's Share of Debt 06/30/23
San Mateo Community College District	\$708,837,622	5.351%	\$37,929,901
South San Francisco Unified School District	308,886,397	6.995%	21,606,603
Jefferson Union High School District	250,308,562	49.199%	123,149,309
Bayshore School District	9,020,000	82.669%	7,456,744
Brisbane School District	30,481,439	13.906%	4,238,749
Jefferson School District	133,755,000	86.772%	<u><u>116,061,889</u></u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u><u>310,443,195</u></u>

DIRECT AND OVERLAPPING GENERAL FUND DEBT

San Mateo County General Fund Obligations	\$589,931,687	5.351%	31,567,245
San Mateo County Board of Education Certificates of Participation	6,120,000	5.351%	327,481
San Mateo County Flood Control District Certificates of Participation	13,890,000	26.691%	3,707,380
South San Francisco Unified School District Certificates of Participation	2,770,000	6.995%	193,762
Jefferson Union H.S.D. Certificates of Participation	47,490,000	49.199%	23,364,605
Jefferson Union H.S.D. General Fund Obligations			
City of Daly City Pension Obligation Bonds	4,325,000	100.000%	4,325,000
San Mateo County Mosquito and Vector Control District	3,617,831	5.351%	193,590
City of Daly City Leases Payable	2,917,312	100.000%	2,917,312
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u><u>66,596,375</u></u>

TOTAL DIRECT DEBT

TOTAL OVERLAPPING DEBT 7,242,312

COMBINED TOTAL DEBT

\$377,039,570 (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 lease obligations.

Ratios to 2022-2023 Assessed Valuation

Total Overlapping Tax and Assessment Debt	2.01%
Total Direct Debt (\$7,242,312)	0.05%
Combined Total Debt	2.44%

Source: California Municipal Statistics, Inc.

CITY OF DALY CITY
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2023

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u><u>\$15,435,764,556</u></u>
---	--------------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u><u>\$578,841,171</u></u>
---	-----------------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (b)	\$640,000
Less: Revenue Bonds and Certificate of Participation not subject to limit	<u><u>640,000</u></u>
Amount of debt subject to limit	<u><u>0</u></u>

LEGAL BONDED DEBT MARGIN	<u><u>\$578,841,171</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)				
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%
2022	540,554	0	540,554	0.00%
2023	578,841	0	578,841	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, 2022

AS OF JUNE 30, 2023

<u>Category</u>	<u>Number of Connections</u>	<u>Category</u>	<u>Number of Connections</u>
Residential	20,218	Residential	20,114
Multi-Family	1,830	Mulit-Family	1,893
Commercial	778	Commercial	831
City/Government	195	City/Government	194
Traveling Meter	24	Traveling Meter	26
	<hr/>		<hr/>
Total Connections	<u>23,045</u>	Total Connections	<u>23,058</u>
	<hr/>		<hr/>

**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018
Gross Revenues (1)	<u>\$18,931,871</u>	<u>\$20,425,104</u>	<u>\$17,186,361</u>	<u>\$17,616,918</u>	<u>\$19,230,073</u>
Operating Expenses (including depreciation) (2)	13,276,951	14,354,432	15,950,589	15,337,854	17,077,870
Depreciation	(1,261,733)	(1,255,728)	(1,274,779)	(1,342,258)	(1,330,058)
Operating Transfers Out	<u>2,318,226</u>	<u>2,378,434</u>	<u>1,689,464</u>	<u>2,156,009</u>	<u>2,449,304</u>
Total Operating Expenses	<u>14,333,444</u>	<u>15,477,138</u>	<u>16,365,274</u>	<u>16,151,605</u>	<u>18,197,116</u>
Net Revenue Available for Debt	<u>\$4,598,427</u>	<u>\$4,947,966</u>	<u>\$821,087</u>	<u>\$1,465,313</u>	<u>\$1,032,957</u>
Total Debt Service Requirement	<u>\$647,050</u>	<u>\$647,750</u>	<u>\$651,250</u>	<u>\$645,450</u>	<u>\$649,100</u>
Coverage	7.11	7.64	1.26	2.27	1.59

Notes:

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

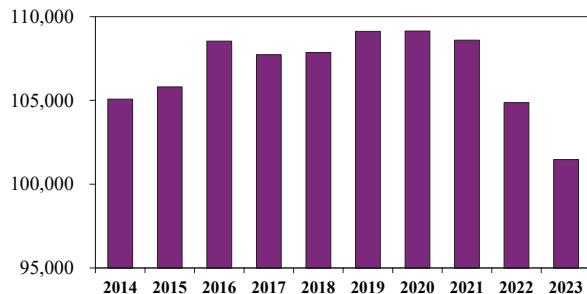
(2) Includes all Water Utility Operating Expenses

Source: City of Daly City Annual Financial Statements

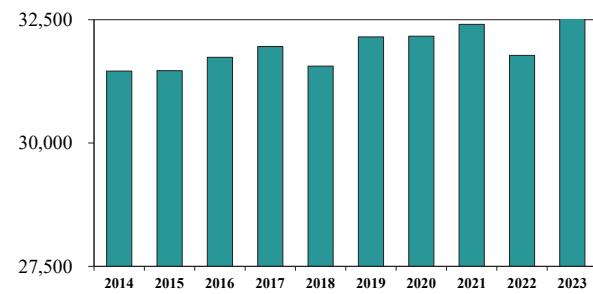
**WATER UTILITY FUND CERTIFICATES OF PARTICIPATION
HISTORICAL REVENUES, EXPENDITURES AND BOND COVERAGE
LAST TEN FISCAL YEARS**

	2019	2020	2021	2022	2023
Gross Revenues (1)	<u>\$21,203,909</u>	<u>\$24,118,100</u>	<u>\$24,002,397</u>	<u>\$26,160,774</u>	<u>\$29,409,352</u>
Operating Expenses (including depreciation) (2)	15,891,040	17,032,815	16,733,316	15,137,383	18,531,034
Depreciation	(1,258,598)	(1,247,958)	(1,184,182)	(1,226,189)	(1,347,688)
Operating Transfers Out	<u>2,646,419</u>	<u>2,994,662</u>	<u>2,604,001</u>	<u>2,678,853</u>	<u>3,627,155</u>
Total Operating Expenses	<u>17,278,861</u>	<u>18,779,519</u>	<u>18,153,135</u>	<u>16,590,047</u>	<u>20,810,501</u>
Net Revenue Available for Debt	<u>\$3,925,048</u>	<u>\$5,338,581</u>	<u>\$5,849,262</u>	<u>\$9,570,727</u>	<u>\$8,598,851</u>
Total Debt Service Requirement	<u>\$647,801</u>	<u>\$645,325</u>	<u>\$649,600</u>	<u>\$651,575</u>	<u>\$649,258</u>
Coverage	6.06	8.27	9.00	14.69	13.24

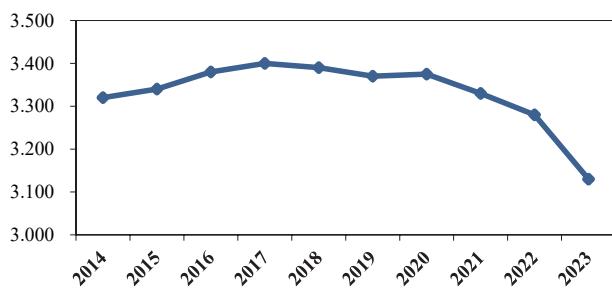
CITY OF DALY CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS



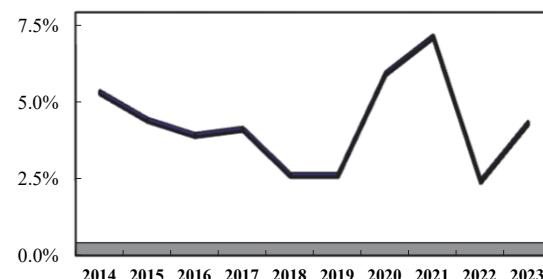
■ Daly City Population



■ 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
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%	32,242	3,501,449	765,245	14.19%
2022	104,867	31,777	3.280	2.2%	39,124	4,102,817	737,888	14.21%
2023	101,471	34,049	3.130	4.1%	41,276	4,188,317	737,644	13.76%

Sources:

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

CITY OF DALY CITY
Principal Employers
Ten Year History

Employer	2022-2023			2013-2014		
	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (1)	Rank	Percentage of Total City Employment
Seton Medical Center	1,099	1	5.7%	1,326	1	9.5%
Jefferson Elementary School District	588	2	3.1%	604	3	4.3%
City of Daly City	580	3	3.0%	644	2	4.6%
Jefferson Union High School District	574	4	3.0%	511	4	3.7%
Kaiser Permanente (3 Locations)	344	5	1.8%			
GHC of Sunnyvale LLC	312	6	1.6%			
Target Stores - Serramonte	310	7	1.6%	320	8	2.3%
In-N-Out Burger (2 locations)	250	8	1.3%			
St. Francis Convalescent Pavilion	244	9	1.3%	350	7	2.5%
Home Depot	241	10	1.3%			
Genesys Telecommunications Laboratory				508	5	3.6%
Cow Palace				397	6	2.8%
Pacific Gas & Electric				278	9	2.0%
Macy's				265	10	1.9%
Subtotal	<u>4,542</u>		<u>23.6%</u>	<u>5,203</u>		<u>37.2%</u>
Total Daly City Employment	<u>19,214</u> (2)			<u>13,990</u> (3)		

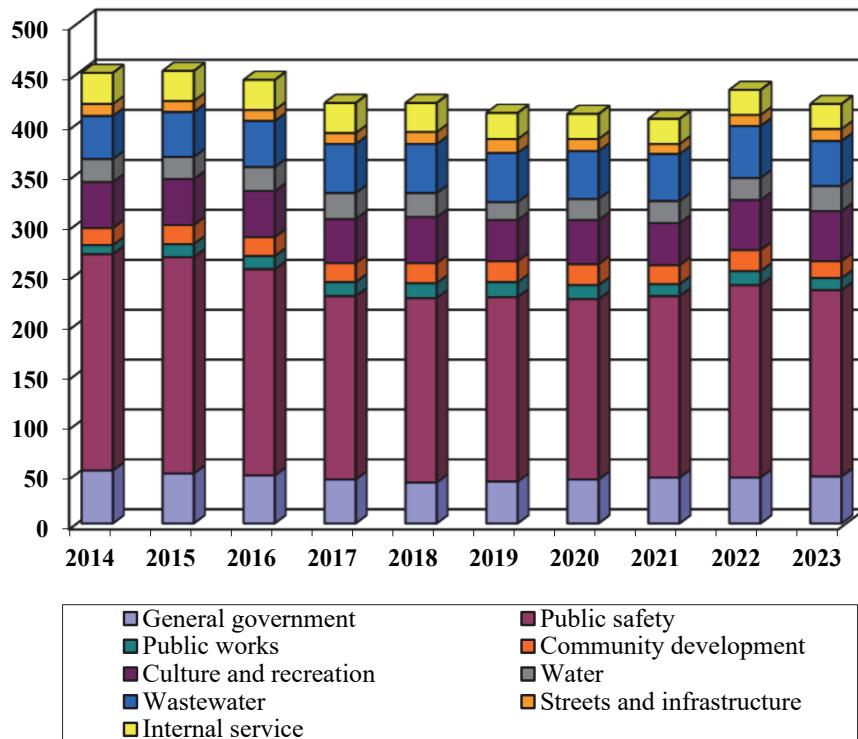
Note: (1) Includes both full-time and part-time employees

(2) Based on ABAG projections & census data

(3) Based on 2012 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



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General government	53	50	48	44	41	42	44	46	46	47
Public safety	217	217	207	184	185	185	181	182	193	187
Public works	9	13	13	14	15	15	14	12	14	12
Community development	17	19	19	19	20	21	21	19	21	17
Culture and recreation	46	46	46	44	46	41	44	42	50	50
Water	23	22	24	26	24	18	21	22	22	25
Wastewater	43	45	46	49	49	49	48	47	52	45
Streets and infrastructure	12	11	11	11	12	14	12	10	11	12
Internal service	31	30	30	30	29	26	25	25	25	25
Total	451	453	444	421	421	411	410	405	434	420

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public safety (calendar year data)					
Fire					
Fire calls for service	7,497	7,543	8,046	8,204	7,678
Fire inspections conducted *	2,183	2,183	2,238	2,310	2,373
Police					
Police calls for service	79,999	84,417	86,688	82,376	71,520
Law violations					
Part I crimes*	2,082	1,888	2,020	1,890	1,818
Part II crimes*	4,685	4,899	5,040	4,774	4,523
Group A Offenses*	0	0	0	0	0
Group B Offenses*	0	0	0	0	0
Physical arrests (adults)	2,562	2,931	3,212	3,054	2,531
Physical arrests (juvenile)	207	218	159	160	213
Traffic violations	8,134	7,323	7,515	6,858	4,212
Parking violations	60,301	74,178	96,244	109,025	117,604
Public works					
Street repairs - asphalt patching (sq. ft.)	59,050	32,000	38,000	87,780	110,546
Street slurry seal (ft.)	59,140	46,400	78,125	71,517	52,535
Street resurfacing (ft.)	8,444	3,800	11,476	0	3,451
Traffic signal responses	35	116	127	105	131
Street light responses	225	281	202	214	292
Street signs replaced	455	430	305	950	2,175
Streets swept (miles)	25,054	25,224	25,305	25,260	25,460
Line striping and curb painting (linear ft.)	5,600	5,800	4,800	47,250	21,117
Sidewalks inspected (miles)	0	0	0	0	1
Culture and recreation					
Recreation					
Recreation class participants	13,075	14,000	14,800	15,000	16,000
Youth recreation program participants	5,002	4,657	5,814	5,335	3,472
Volunteer support hours	82,475	63,597	68,085	64,359	55,693
Senior meals served	24,700	35,749	40,942	38,027	35,463
Number of health fair events	2	2	2	2	2
Health fair events attendance	800	800	800	800	800
Facility rentals (non City events)	1,000	956	981	976	1,042
Library					
Volumes in collection - all formats	220,123	220,123	224,431	226,238	228,264
Total volumes borrowed	480,349	480,349	457,642	400,368	368,428
# of uses of electronic resources	60,374	60,413	58,284	37,568	40,240
Youth services program attendance	13,194	16,025	18,967	18,967	17,429
Water					
Water service connections	22,910	22,936	22,964	22,983	23,269
Water main breaks	86	95	64	70	50
Average daily consumption (thousands of gallons)	6,571	5,933	6,220	6,220	5,533
Wastewater					
Storm drain inlets	n/a	n/a	2,181	2,181	2,181
Sewer service connections	22,942	22,995	22,965	22,965	23,141
Sewer main blockages	3	3	2	2	4
Average daily treatment (thousands of gallons)	6,940	6,382	5,510	5,500	5,500

Source: City of Daly City

Note: n/a denotes information not available.

*CA DOJ Summary Reporting changed to the FBI Standard Incident-Based Reporting

**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

	Fiscal Year June 30,				
	2019	2020	2021	2022	2023
Fire					
Fire calls for service	8,580	7,426	8,281	8,429	9,525
Fire inspections conducted*	2,552	1,712	1,647	3,642	2,153
Police					
Police calls for service	73,291	76,880	58,791	51,216	61,245
Law violations					
Part I crimes*	1,779	2,110	2,338	2,325	0
Part II crimes*	4,182	3,306	3,641	1,987	0
Group A Offenses*	0	0	0	0	4,982
Group B Offenses*	0	0	0	0	916
Physical arrests (adults)	2,427	2,459	1,616	1,458	2,313
Physical arrests (juvenile)	168	141	47	43	94
Traffic violations	4,410	6,026	2,448	2,573	3,790
Parking violations	109,526	87,238	85,576	69,136	78,435
Street repairs - asphalt patching (sq. ft.)	217,615	320,000	36,543	42,500	103,128
Street slurry seal (linear ft.)	73,894	85,008	77,616	0	68,857
Street resurfacing (linear ft.)	0	5,195	8,124	0	0
Traffic signal responses	130	126	131	126	42
Street light responses	186	188	256	327	351
Street signs replaced	600	476	350	325	78
Streets swept (miles)	25,260	25,320	21,100	25,200	25,150
Line striping and curb painting (linear ft.)	43,311	51,985	52,592	290	154,636
Sidewalks inspected (miles)	1	1	1	1	1
Recreation***					
Recreation class participants	15,500	9,378	2,060	12,607	16,107
Youth recreation program participants	5,139	2,948	790	1,934	4,053
Volunteer support hours	46,480	32,784	786	8,420	26,752
Senior meals served	35,707	34,356	33,810	54,440	46,336
Number of health fair events	4	0	0	0	1
Health fair events attendance	800	0	0	0	300
Facility rentals (non City events)	955	674	44	326	569
Library					
Volumes in collection - all formats**	227,245	489,720	466,267	638,843	508,045
Total volumes borrowed	392,978	299,586	202,477	335,007	354,089
# of uses of electronic resources	49,107	43,887	60,345	76,446	86,314
Youth services program attendance	17,503	6,578	3,080	7,479	13,998
Water service connections	23,133	23,140	23,131	23,341	23,055
Water main breaks	88	75	103	93	83
Average daily consumption (thousands of gallons)	5,575	6,150	5,665	5,510	5,405
Storm drain inlets	2,181	2,181	2,181	2,181	2,181
Sewer service connections	23,394	23,350	23,368	23,476	24,315
Sewer main blockages	2	3	5	4	3
Average daily treatment (thousands of gallons)	5,500	5,800	5,007	5,250	5,315

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

	Fiscal Year June 30,				
	2014	2015	2016	2017	2018
Function/Program					
Public safety					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	31	31	31	32	31
Public works					
Miles of streets	112	112	112	112	112
Street lights	3,200	3,200	3,200	3,200	3,563
Traffic signals (# of intersections)	40	40	40	40	41
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	2,300	4,144	4,135	3,655	3,655
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	2,675	3,067	3,048	3,598	3,598
Community centers and clubhouses	12	12	12	12	12
Senior centers	1	1	1	1	1
Gymnasiums	3	3	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	6	6	6	6	6
Library					
City Libraries (# of branches)	4	4	4	4	4
Water					
Miles of water mains	187	187	187	199	199
Fire hydrants	1,497	1,497	1,497	1,505	1,505
Storage capacity (thousands of gallons)	24,490	23,512	23,512	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	19,000	19,000

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

	Fiscal Year June 30,				
	2019	2020	2021	2022	2023
Function/Program					
Public safety					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	31	31	32	33	32
Public works					
Miles of streets	112	112	112	112	112
Street lights	3,574	3,402	3,678	3,678	3,681
Traffic signals (# of intersections)	41	41	42	42	42
Miles of storm drains	70	70	70	70	70
Culture and recreation					
Parks and recreation					
City parks	18	18	18	18	18
City parks acreage	200	200	200	200	200
Park trees	3,865	3,865	3,862	3,869	3,874
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	3,190	3,196	4,043	3,476	4,032
Community centers and clubhouses	11	11	11	11	12
Senior centers	1	1	1	1	1
Gymnasiums	3	4	4	4	4
Tennis courts	10	10	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	180	180	180	180	180
Miles of combined sewers	17	17	17	17	17
Treatment capacity (thousands of gallons)					
Dry weather	7,500	7,500	7,500	7,500	7,500
Wet weather	19,000	19,000	19,000	19,000	19,000

