



CITY OF FOSTER CITY

AUDIT COMMITTEE

CITY HALL, CONFERENCE ROOM ID/EOC
610 FOSTER CITY BLVD
FOSTER CITY, CALIFORNIA, 94404

To Attend the Meeting

- Location: City Hall, Conference Room ID/EOC, 610 Foster City Blvd, Foster City, California, 94404

To Provide Public Comment

- Members of the public wishing to speak will be asked during the public comment period on non-agenda items is closed. For special meetings, public comment is limited to item(s) on the agenda only.

Before the Meeting: Written public comments for the record may be submitted in advance by 4:00 p.m. before the day of the meeting by email to: PUBLICCOMMENT-AUDIT@fostercity.org and will be made part of the written record but will not be read verbally at the meeting. Written public comments submitted by email should adhere to the following:

- Clearly indicate the Agenda Item No. or specify "Public" in the Subject Line for items not on the agenda
- Include the submitter's full name (Recommended but not required)

Written public comments received by 4:00 p.m. the day of the meeting will be provided in their entirety to the Audit Committee prior to the meeting and will be made part of the written record but will not be read verbally at the meeting. Written public comments will be posted to the City's website for review prior to the meeting.

AGENDA

Thursday, November 14, 2024, 7:00 PM

REGULAR MEETING

1. Call to Order

2. Roll Call

Committee Members

Vacant

Bob Buyers
Audie Chang
Falgoon Desai
Vijay Dodd

Committee Chair
Committee Vice Chair
Committee Member
Committee Member
Committee Member

City Council Liaison

Jon Froomin

Councilmember

Badawi & Associates

Ahmed Badawi

Audit Partner

Staff Members

Waqas Hassan
Karen Li
Kay Khin

Assistant Finance Director
Senior Accountant
Accountant II

3. Public Comments

4. Approval of Minutes

Approval of April 18, 2024, Regular Meeting Minutes

5. Reports

- 5.1. Draft Annual Comprehensive Financial Report (ACFR) for the Year Ended June 30, 2024 (excluding the Transmittal Letter, Management Discussion & Analysis (MD&A), and the updated amount related to Investment in JPA Equity - San Mateo Consolidated Fire Department as of June 30, 2024, as information is not yet available from Fire JPA)
- 5.2. Draft Measure A Report for the Year Ended June 30, 2024
- 5.3. Draft Measure W Report for the Year Ended June 30, 2024
- 5.4. Draft Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Schedule for the Year Ended June 30, 2025

6. New Business

Review mission statement; discuss goals for the calendar year 2025. Preparation of a written annual report of 2024 accomplishments to be presented to the City Council (Monday, February 3, 2025, or Tuesday, February 18, 2025).

7. Adjournment

The public is invited to attend.

Any attendee wishing special accommodations at the meeting should contact the Finance Department at (650) 286-3204 at least 48 hours in advance of the meeting. The City has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. That procedure for receiving and resolving requests for accommodation can be located in the City Clerk's Office.

All meetings are conducted in a manner consistent with applicable civil rights and nondiscrimination laws.

Any writings or documents provided to a majority of the Audit Committee regarding any item on this agenda after the agenda packet was distributed will be made available for public inspection online at fostercity.org/agendasandminutes, at the front desk of the Finance Department located at 610 Foster City Boulevard during normal business hours, and at the meeting.



CITY OF FOSTER CITY

AUDIT COMMITTEE REGULAR MEETING MINUTES

CITY HALL, CONFERENCE ROOM ID/EOC
610 FOSTER CITY BLVD
FOSTER CITY, CALIFORNIA, 94404

Thursday, April 18, 2024, 7:00 PM

1. Call to Order

The meeting was called to order at 7:14 pm.

2. Roll Call

Committee Members

Bob Buyers	Committee Vice Chair
Audie Chang	Committee Member
Vijay Dodd	Committee Member

Committee Member Falgoon Desai was absent and Committee Chair position is vacant.

City Council Liaison

Council Member Jon Froomin was absent.

Badawi & Associates

Ahmed Badawi	Audit Partner
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Staff Members

Waqas Hassan	Assistant Finance Director
Karen Li	Senior Accountant
Kay Khin	Accountant II

3. Public Comments – None.

4. Approval of Minutes

A motion was made by Committee Member Audie Chang and seconded by Committee Vice Chair Bob Buyers and carried by a roll call vote, 3-0-0, with Committee Member Falgoon Desai absent.

5. New Business

5.1. Auditor’s overview of Preliminary Audit FY 2023-2024

Auditor Badawi presented an overview of the preliminary audit, including the financial reporting requirement of the new GASB Accounting Standards. Questions and comments from the Audit Committee Members and responses from Auditor Badawi ensued.

5.2. Consideration of FY 2023-2024 Directed Study to be performed by Auditor (if any)

Vice Chair Bob Buyers opened a discussion on ideas for various directed study topics. Questions and comments from audit committee members and responses from the auditor on the directed study ensued.

A motion was made by Vice Chair Bob Buyers, seconded by Committee Member Vijay Dodd, and carried by roll call vote, 3-0-0 (with Committee Member Falgoon Desai absent) to have the auditor perform a study comparing the City’s Investment Portfolio as of December 31, 2023, with five other Bay Area Cities (similar to the study performed for FY 2020-2021).

Additionally, a motion was made by Committee Member Audie Chang, seconded by Committee Member Vijay Dodd, and carried by roll call vote, 3-0-0 (with Committee Member Falgoon Desai absent) to have the auditor perform a study on the lease payments and revenue contribution made by VB

Golf (same study procedures performed for FY 2013-2014 excluding the comparison of City's golf course contract with other cities contracts).

- 5.3. Confirmation of November 2024 regular Audit Committee meeting time and date to review audited draft Annual Comprehensive Financial Report (ACFR) and other reports

A motion was made by Committee Vice Chair Bob Buyers, seconded by Committee Member Audie Chang and carried by a roll call vote, 3-0-0 (with Committee Member Falgoon Desai absent) to hold the meeting on Thursday, November 14, 2024, at 7 pm.

6. Adjournment

The meeting adjourned at 9:24 pm.

**CITY OF FOSTER CITY AND
ESTERO MUNICIPAL IMPROVEMENT DISTRICT
CALIFORNIA**



**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**



FISCAL YEAR ENDED

JUNE 30, 2024

PREPARED BY THE FINANCIAL SERVICES DEPARTMENT

**CITY OF FOSTER CITY AND
ESTERO MUNICIPAL IMPROVEMENT DISTRICT
CALIFORNIA**

Annual Comprehensive Financial Report

Prepared by the Financial Services Department

For the Fiscal Year Ended June 30, 2024

Patrick Sullivan, Mayor

Stacy Jimenez, Vice Mayor

Sam Hindi, Councilmember

Jon Frooming, Councilmember

Art Kiesel, Councilmember

Stefan Chatwin, City Manager

Marlene Subhashini, Assistant City Manager

Benjamin L. Stock, City Attorney

Priscilla Schaus, Communications Director/City Clerk

Sofia Mangalam, Community
Development Director

Edmund Suen, Finance Director

Diane Pitman, Administrative Services
Director

Tracy Avelar, Police Chief

Andrew Brozyna, Public Works Director

Kent Thrasher, Fire Chief
(San Mateo Consolidated Fire Department
Joint Powers Authority)

Derek Shweigart, Park and Recreation
Director

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**City of Foster City and Estero Municipal Improvement District
Annual Comprehensive Financial Report
For the year ended June 30, 2024**

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City of Foster City and Estero Municipal Improvement District
Annual Comprehensive Financial Report
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City of Foster City and Estero Municipal Improvement District
Annual Comprehensive Financial Report
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Transmittal Letter



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Foster City and Estero Municipal
Improvement District, California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

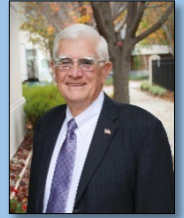
Christopher P. Morill

Executive Director/CEO

City of Foster City/Estero Municipal Improvement District Organization Chart

FOSTER CITY RESIDENTS

CITY COUNCIL



ADVISORY COMMITTEES

Audit Committee

Citizens Sustainability Advisory Committee

Parks and Recreation Committee

Planning Commission

Traffic Review Committee

Youth Advisory Committee

City Attorney

City Manager

Assistant City Manager

Community Development Department

Parks and Recreation Department

Public Works Department

Administrative Services Department

Communications/City Clerk Department

Financial Services/City Treasurer Department

Police Department

San Mateo Consolidated Fire Department

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council of the City of Foster City and the
Board of Directors of the Estero Municipal Improvement District
Foster City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Foster City and the Estero Municipal Improvement District (City/District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City/District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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/District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the San Mateo Consolidated Fire Department (SMC Fire), which represent 0.96 percent, 1.6 percent, and 5.11 percent, respectively, of the assets, net position, and revenues of the Governmental Activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City/District's equity in the San Mateo Consolidated Fire Department (SMC Fire), is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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/District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and Members
of the City Council of the City of Foster City and the
Board of Directors of the Estero Municipal Improvement District
Foster City, California
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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City/District'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 GAAS 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 GAAS, 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/District'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/District's ability to continue as a going concern for a reasonable period of time.

To the Honorable Mayor and Members
of the City Council of the City of Foster City and the
Board of Directors of the Estero Municipal Improvement District
Foster City, California
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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and OPEB schedules on pages 5-19 and 102-117 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/District's basic financial statements. The City/District's Capital Projects Fund budgetary comparison schedules, combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The City/District's Capital Projects Funds budgetary comparison schedules, combining and individual nonmajor fund financial statements and budgetary comparison schedules are 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. Such 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 capital projects funds budgetary comparison schedules, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members
of the City Council of the City of Foster City and the
Board of Directors of the Estero Municipal Improvement District
Foster City, California
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Other Information

Management is responsible for the other information. The other information comprises the introductory and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 **Month XX, 2024**, on our consideration of the City/District'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 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/District's internal control over financial reporting and compliance.

Badawi & Associates, CPAs
Berkeley, California
Month XX, 2024

Managment Discussions and Analysis (MD&A)

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Foster City and Estero Municipal Improvement District

Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 246,757,850	\$ 102,081,547	\$ 348,839,397
Receivables, net	6,347,891	6,836,862	13,184,753
Internal balances	(3,650,822)	3,650,822	-
Inventory	119,898	301,133	421,031
Prepays and deposits	41,405	-	41,405
Restricted cash and investments	143,375	-	143,375
Loans receivable (net)	17,506,884	-	17,506,884
Leases receivable	391,942	-	391,942
Total current assets	267,658,423	112,870,364	380,528,787
Noncurrent assets:			
Investment in JPA Equity	4,198,883	-	4,198,883
Leases receivable	979,808	-	979,808
Receivable from JPFA	-	1,674,859	1,674,859
Capital assets:			
Nondepreciable	17,328,839	145,569,594	162,898,433
Depreciable	297,430,683	114,069,995	411,500,678
Less accumulated depreciation	(123,409,509)	(66,971,916)	(190,381,425)
Total capital assets	191,350,013	192,667,673	384,017,686
Total noncurrent assets	196,528,704	194,342,532	390,871,236
Total assets	464,187,127	307,212,896	771,400,023
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	31,830,960	1,281,988	33,112,948
Related to OPEB	537,353	74,318	611,671
Total deferred outflows of resources	32,368,313	1,356,306	33,724,619
LIABILITIES			
Current liabilities:			
Accounts payable	7,307,552	35,818,484	43,126,036
Accrued interest	927,655	903,622	1,831,277
Accrued payroll	1,270,812	161,385	1,432,197
Refundable deposits	7,482,191	37,504	7,519,695
Unearned revenue	507,448	-	507,448
Total OPEB liability - current portion	443,123	61,286	504,409
Long-term liabilities - current portion	2,948,279	2,690,693	5,638,972
Total current liabilities	20,887,060	39,672,974	60,560,034
Noncurrent liabilities:			
Long-term liabilities - noncurrent portion	84,975,775	101,583,669	186,559,444
Net pension liability	91,857,514	4,138,129	95,995,643
Total OPEB liability - noncurrent portion	7,445,861	1,029,791	8,475,652
Total noncurrent liabilities	184,279,150	106,751,589	291,030,739
Total liabilities	205,166,210	146,424,563	351,590,773
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding	-	2,770,773	2,770,773
Related to leases	1,291,464	-	1,291,464
Related to pension	3,075,652	33,278	3,108,930
Related to OPEB	2,630,780	363,847	2,994,627
Total deferred inflows of resources	6,997,896	3,167,898	10,165,794
NET POSITION			
Net investment in capital assets	106,361,750	87,688,170	194,049,920
Restricted for:			
Housing	2,607,512	-	2,607,512
Roads	9,147,998	-	9,147,998
Parks	3,036,715	-	3,036,715
Local programs and events	945,848	-	945,848
Levee	2,916,284	1,674,859	4,591,143
Debt services	4,689,044	-	4,689,044
Total restricted	23,343,401	1,674,859	25,018,260
Unrestricted	154,686,183	69,613,712	224,299,895
Total net position	\$ 284,391,334	\$ 158,976,741	\$ 443,368,075

See accompanying Notes to Basic Financial Statements.

City of Foster City and Estero Municipal Improvement District
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 8,056,634	\$ 626,741	\$ 145,981	\$ -	\$ 772,722
Public safety - Police	17,049,525	141,328	193,768	-	335,096
Public safety - Fire	12,598,383	54,987	-	-	54,987
Public works	7,458,051	113,523	1,050,213	1,093,382	2,257,118
Community development	5,088,099	8,729,231	-	-	8,729,231
Parks and recreation	13,541,837	1,710,319	40,011	-	1,750,330
Interest on long-term debt	3,014,507	-	-	-	-
Total governmental activities	66,807,036	11,376,129	1,429,973	1,093,382	13,899,484
Business-type Activities:					
Water	16,870,635	17,638,042	-	11,909	17,649,951
Wastewater	9,365,952	21,119,646	-	-	21,119,646
Total business-type activities	26,236,587	38,757,688	-	11,909	38,769,597
Total primary government	\$ 93,043,623	\$ 50,133,817	\$ 1,429,973	\$ 1,105,291	\$ 52,669,081

General Revenues:

Taxes:

Property taxes

Transient occupancy taxes

Franchise tax

Other taxes

Contributions not restricted to specific programs:

Sales and use tax and sales tax in lieu

Unrestricted investment and rental income

Gain (loss) on JPA investment

Other

Total general revenues**Change in net position****Net position - beginning of year****Net position - end of year**

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (7,283,912)	\$ -	\$ (7,283,912)
(16,714,429)	-	(16,714,429)
(12,543,396)	-	(12,543,396)
(5,200,933)	-	(5,200,933)
3,641,132	-	3,641,132
(11,791,507)	-	(11,791,507)
(3,014,507)	-	(3,014,507)
(52,907,552)	-	(52,907,552)
-	779,316	779,316
-	11,753,694	11,753,694
-	12,533,010	12,533,010
(52,907,552)	12,533,010	(40,374,542)
46,979,414	-	46,979,414
4,284,940	-	4,284,940
1,367,718	-	1,367,718
2,266,760	-	2,266,760
5,034,302	-	5,034,302
9,860,991	4,635,257	14,496,248
5,081,778	-	5,081,778
359,902	96,744	456,646
75,235,805	4,732,001	79,967,806
22,328,253	17,265,011	39,593,264
262,063,081	141,711,730	403,774,811
\$ 284,391,334	\$ 158,976,741	\$ 443,368,075

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of Foster City and Estero Municipal Improvement District
Balance Sheet
Governmental Funds
June 30, 2024

	Special Revenue Funds			City Capital
	General Fund	Low and Moderate	Foster City	Project Funds
		Income Housing Fund Assets	Affordable Housing	City Capital Projects
ASSETS				
Cash and investments	\$ 69,410,741	\$ 2,503,247	\$ 710,074	\$ 88,691,692
Receivables, net of allowance:				
Accrued interest	2,246,784	-	-	-
Intergovernmental	40,025	-	-	-
Taxes	3,391,136	-	-	-
Other	164,949	631	-	-
Prepays and deposits	20,181	-	-	-
Inventory	16,900	-	-	-
Restricted cash and investments	128,388	-	-	-
Loans receivable, net of allowance	445,008	77,323	4,975,450	-
Leases receivable	1,371,750	-	-	-
Total assets	\$ 77,235,862	\$ 2,581,201	\$ 5,685,524	\$ 88,691,692
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 887,999	\$ 11,930	\$ -	\$ 4,396,926
Accrued payroll	1,180,492	1,693	-	-
Refundable deposits	4,835,992	6,062	-	2,331,479
Unearned revenue	507,448	-	-	-
Total liabilities	7,411,931	19,685	-	6,728,405
Deferred Inflows of Resources				
Unavailable-interest receivable	402,973	-	951,873	-
Related to leases	1,291,464	-	-	-
Total deferred inflows of resources	1,694,437	-	951,873	-
Fund Balances:				
Nonspendable	37,081	-	-	-
Restricted	69,654	2,561,516	-	-
Committed	4,288,523	-	4,733,651	81,963,287
Unassigned	63,734,236	-	-	-
Total fund balances	68,129,494	2,561,516	4,733,651	81,963,287
Total liabilities, deferred inflows of resources and fund balances	\$ 77,235,862	\$ 2,581,201	\$ 5,685,524	\$ 88,691,692

See accompanying Notes to Basic Financial Statements.

City Capital Project Funds			
Capital Asset Preservation	Levee Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,735,436	\$ 4,548,519	\$ 28,023,342	\$ 198,623,051
-	-	-	2,246,784
-	-	237,851	277,876
-	-	178,993	3,570,129
-	-	27,124	192,704
-	-	20,103	40,284
-	-	-	16,900
-	14,987	-	143,375
-	-	-	5,497,781
-	-	-	1,371,750
<u>\$ 4,735,436</u>	<u>\$ 4,563,506</u>	<u>\$ 28,487,413</u>	<u>\$ 211,980,634</u>
\$ -	\$ 1,647,222	\$ 101,058	\$ 7,045,135
-	-	5,247	1,187,432
-	-	308,658	7,482,191
-	-	-	507,448
-	1,647,222	414,963	16,222,206
-	-	-	1,354,846
-	-	-	1,291,464
-	-	-	2,646,310
-	-	20,103	57,184
-	2,916,284	23,880,890	29,428,344
4,735,436	-	4,171,457	99,892,354
-	-	-	63,734,236
<u>4,735,436</u>	<u>2,916,284</u>	<u>28,072,450</u>	<u>193,112,118</u>
<u>\$ 4,735,436</u>	<u>\$ 4,563,506</u>	<u>\$ 28,487,413</u>	<u>\$ 211,980,634</u>

See accompanying Notes to Basic Financial Statements.

City of Foster City and Estero Municipal Improvement District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 193,112,118

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 17,328,839	\$ (44,299)	17,284,540
Depreciable, net	174,021,174	(3,757,943)	170,263,231
Total capital assets	<u>\$ 191,350,013</u>	<u>\$ (3,802,242)</u>	<u>187,547,771</u>

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

(927,655)

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

1,354,846

North Peninsula Jewish Campus loans receivable are unavailable to pay current period expenditures and, therefore, are not reported in the governmental funds.

12,009,103

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.

45,401,202

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

	Government- Wide Statement of Net Position	Internal Service Funds	
Deferred outflows of resources related to pension	31,830,960	(726,628)	31,104,332
Deferred outflows of resources related to OPEB	537,353	(34,254)	503,099
Deferred inflows of resources related to pension	(3,075,652)	167,700	(2,907,952)
Deferred inflows of resources related to OPEB	(2,630,780)	18,862	(2,611,918)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Investment in JPA Equity	\$ 4,198,883	\$ -	\$ 4,198,883
Long-term debt	(87,924,054)	429,691	(87,494,363)
Total OPEB liability	(7,888,984)	502,884	(7,386,100)
Net pension liability	(91,857,514)	2,345,482	(89,512,032)
Total long-term liabilities	<u>\$ (183,471,669)</u>	<u>\$ 3,278,057</u>	<u>(180,193,612)</u>
Net Position of Governmental Activities			<u>\$ 284,391,334</u>

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City of Foster City and Estero Municipal Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	Special Revenue Funds			City Capital Project Funds
	General Fund	Low and Moderate Income Housing Fund Assets	Foster City Affordable Housing	City Capital Projects
REVENUES:				
Property taxes	\$ 42,698,060	\$ -	\$ -	\$ -
Sales and use and sales tax in lieu	3,698,812	-	-	-
Transient occupancy tax	4,284,940	-	-	-
Franchise tax	1,367,718	-	-	-
Property transfer tax	237,716	-	-	-
Licenses and permits	3,906,418	-	-	-
Intergovernmental	136,761	-	22,182	-
Charges for current services	2,300,724	-	-	-
Fines and forfeitures	31,263	-	-	-
Investment and rental income	5,210,275	190,039	112,515	4,543,290
Other	475,967	358	-	223,795
Total revenues	64,348,654	190,397	134,697	4,767,085
EXPENDITURES:				
Current:				
General government	6,762,666	-	-	-
Public safety - Police	16,198,774	-	-	-
Public safety - Fire	11,798,445	-	-	-
Public works	3,554,576	-	-	-
Community development	4,116,953	133,801	43,717	-
Parks and recreation	10,660,410	-	-	1,278,386
Capital outlay	-	-	-	5,104,849
Debt service:				
Principal	-	-	-	-
Interest and other issuance cost	-	-	-	-
Total expenditures	53,091,824	133,801	43,717	6,383,235
REVENUES OVER (UNDER)				
EXPENDITURES	11,256,830	56,596	90,980	(1,616,150)
OTHER FINANCING SOURCES (USES):				
Transfers in	71,948	63,564	-	6,095,303
Transfers out	(6,158,867)	-	-	-
Proceeds from sale of property	-	-	-	-
Premium on bonds issued	-	-	-	-
Bonds issued	-	-	-	-
Total other financing sources (uses)	(6,086,919)	63,564	-	6,095,303
Net change in fund balances	5,169,911	120,160	90,980	4,479,153
FUND BALANCES:				
Beginning of year	62,959,583	2,441,356	4,642,671	77,484,134
End of year	\$ 68,129,494	\$ 2,561,516	\$ 4,733,651	\$ 81,963,287

See accompanying Notes to Basic Financial Statements.

City Capital Project Funds			
Capital Asset Preservation	Levee Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 4,281,354	\$ 46,979,414
-	-	1,335,490	5,034,302
-	-	-	4,284,940
-	-	-	1,367,718
-	-	-	237,716
-	-	-	3,906,418
-	-	2,125,268	2,284,211
-	-	6,106,879	8,407,603
-	-	42,388	73,651
589,617	255,932	1,626,214	12,527,882
-	-	677,389	1,377,509
589,617	255,932	16,194,982	86,481,364
-	-	443,058	7,205,724
-	-	186,769	16,385,543
-	-	-	11,798,445
-	-	693,699	4,248,275
-	-	464,776	4,759,247
-	-	42,658	11,981,454
-	7,320,333	1,288,061	13,713,243
-	-	3,050,000	3,050,000
-	99,863	2,407,600	2,507,463
-	7,420,196	8,576,621	75,649,394
589,617	(7,164,264)	7,618,361	10,831,970
557,446	-	-	6,788,261
-	-	(629,394)	(6,788,261)
708,255	-	-	708,255
-	-	224,971	224,971
-	5,000,000	-	5,000,000
1,265,701	5,000,000	(404,423)	5,933,226
1,855,318	(2,164,264)	7,213,938	16,765,196
2,880,118	5,080,548	20,858,512	176,346,922
\$ 4,735,436	\$ 2,916,284	\$ 28,072,450	\$ 193,112,118

See accompanying Notes to Basic Financial Statements.

**City of Foster City and Estero Municipal Improvement District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 16,765,196
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense (Total capital assets additions for the City were \$14,740,733, which consisted of \$13,900,785 in additions attributable to governmental funds and \$839,948 in additions attributable to internal service fund activity	13,713,465
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(5,754,774)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(159,830)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	3,050,000
Issuance of long-term debt	(5,000,000)
Bond premium	(224,971)
Amortization of bonds premium (discount), net	224,168
Gain/(loss) on JPA investment reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues/expenditures in the governmental funds.	-
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds.	(731,212)
Revenues from North Peninsula Jewish Campus in this fiscal year that will not be collected for several years are not considered "available" revenue and are not reported in the governmental fund.	(708,255)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	471,917
OPEB (expense)/income is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	198,527
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	4,798,851
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(8,720,819)
Interest that will not be collected for several years are not considered "available" and are not reported in the governmental fund.	50,926
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	4,355,064
Change in Net Position of Governmental Activities	\$ 22,328,253

See accompanying Notes to Basic Financial Statements

City of Foster City and Estero Municipal Improvement District
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental
	Water	Wastewater	Totals	Activities - Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 27,832,487	\$ 74,249,060	\$ 102,081,547	\$ 48,134,799
Receivables, net of allowance:				
Billed utility, net of allowance for uncollectible	1,015,935	1,524,223	2,540,158	-
Unbilled utility	1,947,688	2,037,357	3,985,045	-
Accrued interest	-	6,169	6,169	41,840
Other	274,132	31,358	305,490	18,558
Prepays and deposits	-	-	-	1,121
Inventory	68,241	232,892	301,133	102,998
Total current assets	31,138,483	78,081,059	109,219,542	48,299,316
Noncurrent:				
Receivable from JPFA	-	1,674,859	1,674,859	-
Capital assets:				
Nondepreciable capital assets	5,619,408	139,950,186	145,569,594	44,299
Depreciable capital assets	51,762,166	62,307,829	114,069,995	13,035,374
Accumulated depreciation	(37,498,750)	(29,473,166)	(66,971,916)	(9,277,431)
Net capital assets	19,882,824	172,784,849	192,667,673	3,802,242
Total noncurrent assets	19,882,824	174,459,708	194,342,532	3,802,242
Total assets	51,021,307	252,540,767	303,562,074	52,101,558
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	617,067	664,921	1,281,988	726,628
Related to OPEB	51,442	22,876	74,318	34,254
Total deferred outflows of resources	668,509	687,797	1,356,306	760,882
LIABILITIES				
Current liabilities:				
Accounts payable	1,716,056	34,102,428	35,818,484	262,417
Accrued interest	-	903,622	903,622	-
Accrued payroll	85,020	76,365	161,385	83,380
Refundable deposits	37,504	-	37,504	-
Claims payable - current portion	-	-	-	150,000
Compensated absences - current portion	91,848	67,336	159,184	97,418
OPEB liability - current portion	42,421	18,865	61,286	28,246
Long-term debt - current portion	-	2,531,509	2,531,509	31,466
Total current liabilities	1,972,849	37,700,125	39,672,974	652,927
Noncurrent liabilities:				
Compensated absences	135,828	95,761	231,589	148,185
Total OPEB liability	712,802	316,989	1,029,791	474,638
Net pension liability	1,991,830	2,146,299	4,138,129	2,345,482
Long-term debt	-	101,352,080	101,352,080	2,622
Total noncurrent liabilities	2,840,460	103,911,129	106,751,589	2,970,927
Total liabilities	4,813,309	141,611,254	146,424,563	3,623,854
DEFERRED INFLOWS OF RESOURCES				
Related to pension	16,018	17,260	33,278	167,700
Related to OPEB	251,848	111,999	363,847	18,862
Gain on refunding	-	2,770,773	2,770,773	-
Total deferred inflows of resources	267,866	2,900,032	3,167,898	186,562
NET POSITION				
Net investment in capital assets	19,882,824	67,805,346	87,688,170	3,802,242
Restricted for wastewater treatment plant	-	1,674,859	1,674,859	-
Unrestricted	26,725,817	39,237,073	65,962,890	45,249,782
Total net position	\$ 46,608,641	\$ 108,717,278	155,325,919	\$ 49,052,024
Adjustment to reflect the consolidation				
of internal service fund activities related to enterprise funds			3,650,822	
Net position of business-type activities			\$ 158,976,741	

See accompanying Notes to Basic Financial Statements.

City of Foster City and Estero Municipal Improvement District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Water	Wastewater	Totals	
OPERATING REVENUES:				
Sales and service charges	\$ 17,638,042	\$ 21,119,646	\$ 38,757,688	\$ -
Charges for services - internal	-	-	-	10,683,046
Total operating revenues	17,638,042	21,119,646	38,757,688	10,683,046
OPERATING EXPENSES:				
Personnel	2,552,358	2,164,479	4,716,837	3,129,771
Utilities	10,293,714	308,301	10,602,015	-
Program supplies	125,756	107,588	233,344	-
Repairs and maintenance	479	125,791	126,270	1,664,030
General and administration	2,283,473	1,903,294	4,186,767	1,002,644
Depreciation and amortization	971,391	1,786,113	2,757,504	632,744
Contractual services	466,181	2,533,936	3,000,117	633,585
Insurance	318,835	318,835	637,670	1,557,357
Total operating expenses	17,012,187	9,248,337	26,260,524	8,620,131
Operating income (loss)	625,855	11,871,309	12,497,164	2,062,915
NONOPERATING REVENUES (EXPENSES):				
Gain (loss) on disposal of capital assets	-	-	-	(10,660)
Investment income	1,495,984	3,139,273	4,635,257	2,450,740
Interest expenses	-	(286,913)	(286,913)	-
Miscellaneous	23,629	73,115	96,744	162,919
Total nonoperating revenues (expenses)	1,519,613	2,925,475	4,445,088	2,602,999
Income before contributions and transfers	2,145,468	14,796,784	16,942,252	4,665,914
CONTRIBUTIONS AND TRANSFERS:				
Capital contributions	11,909	-	11,909	-
Total contributions and transfers	11,909	-	11,909	-
Change in net position	2,157,377	14,796,784	16,954,161	4,665,914
NET POSITION:				
Beginning of year	44,451,264	93,920,494		44,386,110
End of year	\$ 46,608,641	\$ 108,717,278		\$ 49,052,024
			Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 310,850
			Change in net position of business- type activities	\$ 17,265,011

See accompanying Notes to Basic Financial Statements.

City of Foster City and Estero Municipal Improvement District
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Water	Wastewater	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 17,178,814	\$ 20,981,816	\$ 38,160,630	\$ -
Cash received from interdepartmental charges	-	-	-	10,683,046
Cash received from others	-	-	-	194,935
Cash payments to suppliers for goods and services	(13,084,802)	(5,223,258)	(18,308,060)	(4,899,416)
Cash payments to employees for services	(2,218,188)	(2,249,514)	(4,467,702)	(2,970,059)
Net cash provided by (used in) operating activities	1,875,824	13,509,044	15,384,868	3,008,506
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
JPFA receipt/payment	-	4,121,279	4,121,279	-
Proceeds from others	23,629	73,115	96,744	-
Principal paid on long-term debt	-	(2,579,123)	(2,579,123)	(28,844)
Interest paid on long-term debt	-	(1,315,791)	(1,315,791)	-
Capital contributions received	11,909	-	11,909	-
Acquisition and construction of capital assets	(1,665,245)	(438,694)	(2,103,939)	(808,424)
Net cash provided by (used in) capital and related financing activities	(1,629,707)	2,631,559	1,001,852	(837,268)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	1,495,984	3,170,614	4,666,598	2,408,900
Net cash provided by (used in) investing activities	1,495,984	3,170,614	4,666,598	2,408,900
Net cash flows	1,742,101	19,311,217	21,053,318	4,580,138
CASH AND INVESTMENTS - Beginning of year	26,090,386	54,937,843	81,028,229	43,554,661
CASH AND INVESTMENTS - End of year	\$ 27,832,487	\$ 74,249,060	\$ 102,081,547	\$ 48,134,799
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 625,855	\$ 11,871,309	\$ 12,497,164	\$ 2,062,915
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	971,391	1,786,113	2,757,504	632,744
Miscellaneous revenues	-	-	-	162,919
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Billed receivables	(129,079)	(78,023)	(207,102)	-
Unbilled receivables	(165,031)	(40,417)	(205,448)	-
Other receivables	(165,118)	(19,390)	(184,508)	32,016
Deposit and prepaid items	-	-	-	(1,121)
Inventory	-	(67,196)	(67,196)	(8,825)
Deferred outflows of resources	46,719	68,543	115,262	61,474
Increase (decrease) in:				
Accounts payable and claims liability	435,844	141,683	577,527	-
Accrued interest	-	-	-	(31,854)
Accrued payroll	11,890	(6,181)	5,709	-
Refundable deposits	(32,208)	-	(32,208)	(679)
Compensated absences	16,008	(1,371)	14,637	10,000
Total OPEB liability	201,969	(113,774)	88,195	5,800
Net pension liability	78,140	84,201	162,341	54,134
Other liability	-	-	-	92,015
Deferred inflows of resources	(20,556)	(116,453)	(137,009)	(63,032)
Net cash provided by (used in) operating activities	\$ 1,875,824	\$ 13,509,044	\$ 15,384,868	\$ 3,008,506

See accompanying Notes to Basic Financial Statements.

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City of Foster City and Estero Municipal Improvement District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private Purpose Trust Fund <u>Successor</u> Agency of the Former RDA	<u>Custodial Funds</u> SMC Fire
ASSETS		
Cash and investments	\$ 59,950	\$ 26,838
Total assets	<u>59,950</u>	<u>26,838</u>
LIABILITIES		
Accounts payable	-	26,838
Long-term liabilities:		
Loan payable to the City	445,008	-
Total liabilities	<u>445,008</u>	<u>26,838</u>
NET POSITION		
Unrestricted	(385,058)	
Individuals, organizations, and other governments	-	-
Held in trust for private purposes	-	-
Total Net Position	<u>\$ (385,058)</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

City of Foster City and Estero Municipal Improvement District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024

	Private Purpose Trust Fund		Custodial Funds
	Successor Agency of the Former RDA		SMC Fire
ADDITIONS:			
Property taxes	\$ 488,166	\$	-
Fee collection from other governments	-		117,640
Investment earnings	9,358		-
Total additions	497,524		117,640
DEDUCTIONS:			
Administrative expenses	30,306		-
Payment to other governments	-		117,640
Affordable housing subsidy	261,411		-
Total deductions	291,717		117,640
Change in net position	205,807		-
NET POSITION:			
Beginning of year	(590,865)		-
End of year	<u>\$ (385,058)</u>	<u>\$</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. DESCRIPTION OF THE REPORTING ENTITY

The City of Foster City (City) was incorporated in 1971. The Estero Municipal Improvement District (District) was formed in 1960. The District was created by the California Legislature to issue general obligation bonds to fill and reclaim the land that later became the City upon incorporation. The City is a general law city and operates under a Council-Manager form of government, providing such services as public safety (police, fire and building inspection), highways and streets, wastewater, water, parks and recreation, public improvements, planning and zoning, and general administrative services. The District, although a separate entity, encompasses the same basic geographical area, is inhabited by the same citizens and is governed, administered and budgeted by the same governmental body and procedures as the City and is included with the operations of the City in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (City/District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities of the City/District. Governmental activities, which normally are supported by taxes intergovernmental revenues and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City/District's governmental activities and for each segment of the business-type activities of the City/District. 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 1) fees, fines and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide and proprietary 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. Nonexchange transactions, in which the City/District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Basis of Accounting and Measurement Focus, Continued

Fund Financial Statements

The fund financial statements provide information about the City/District's funds, including fiduciary funds. 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 funds are separately aggregated and reported as nonmajor funds.

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. Sales and use tax, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within ninety days and property tax within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under actual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds.

Under the terms of various grant agreements, the City/District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City/District's policy to first apply cost-reimbursement grant resources (restricted) to such programs and then use general revenues (unrestricted) if necessary.

Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grant total. The General fund is always a major fund. The City/District may also select other funds it believes should be presented as major funds.

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

General Fund – Accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City/District that are not accounted for through other funds.

Low and Moderate Income Housing Assets Fund – Accounts for all housing activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City.

Foster City Affordable Housing Fund – Accounts for the proceeds from the Sam Mateo County redistribution of the unencumbered housing tax increments from the former Foster City Community Development Agency for future affordable housing projects in the city.

City Capital Projects Fund – Accounts for development, construction or acquisition of approved capital projects funded by general fund, special revenues fund, state and federal grants.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Basis of Accounting and Measurement Focus, Continued

Capital Asset Acquisition and Replacement Fund – Accounts for revenues from the sale of City properties. By policy direction, assets in this fund may only be used for the acquisition or replacement of significant assets or capital improvements by 4/5th vote of the City Council.

Levee Capital Projects Fund – Accounts for proceeds from the City’s 2020 General Obligation Bonds for development and construction of the levee protection planning and improvements project.

Proprietary Funds - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a fund’s principal ongoing operations. The principal operating revenue of the City/District’s enterprise and internal service funds are charges for customer services, including water and wastewater charges, vehicle, equipment and building maintenance and usage fees, insurance charges, information services support charges, employee pension and other post employment benefits charges, and compensated absences charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition, such as subsidies and investment earnings, resulting from nonexchange transactions or ancillary activities are reported as nonoperating revenues and expenses.

The City/District reported all enterprise funds as major funds in the accompanying financial statements:

Water Fund – Accounts for activities associated with providing water services including construction of water plant facilities.

Wastewater Fund – Accounts for activities associated with sewage transmissions and treatment including construction of wastewater plant facilities.

The City/District also reports the following fund types:

Internal Service Funds – These funds account for the City/District’s vehicle rental, equipment replacement, self-insurance, information technology, building maintenance services, longevity recognition benefits, CalPERS’ Public Employees’ Medical and Hospital Care Act medical benefits plan, and compensated absences; all of which are provided to other departments of the City/District on a cost-reimbursement basis.

Fiduciary Funds – The City/District maintains two different types of fiduciary funds. The Foster City Successor Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments of recognized obligations at appropriate amounts and times in the future; The Custodial funds report resources, not in a trust, that are held by the City/District for other parties outside of City/District’s reporting entity. The financial activities of these funds are excluded from the Government-wide financial statements but are presented in the separate Fiduciary Fund financial statements. The City/District reports the San Mateo Consolidated (SMC) Fire Fund as a Custodial Fund to account for fire plan check fees collected from construction permits that the City is holding for SMC Fire Department.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Cash and Cash Equivalents

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

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

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended by GASB 72, Fair Value Measurement and Application, highly liquid market investments with maturities of on year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

C. Investments

Investments are stated at fair value. The fair value of investments is determined annually and is based on current market prices. The method of allocating interest earned on pooled deposits and investments among governmental and proprietary funds is based upon average investment balances and is performed on a quarterly basis.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Inventory and Prepaid Items

Inventory, consisting of expendable supplies, is valued at cost on a first-in first-out basis. The cost of governmental funds inventory is recorded as expenditure at the time the individual inventory or prepaid item is consumed. Reported inventory and prepaid items are equally offset by a fund balance reservation, which indicates that they do not constitute “available spendable resources” even though they are a component of the net current assets.

E. Loans Receivable

For the purposes of the fund financial statements, expenditures related to long-term loans arising from loan subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans, with an offset to a deferred inflows of resources account. The balance of the long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. For purposes of the government-wide financial statements, long-term loans are not offset by deferred inflows of resources, nor its activity reflected in the Statement of Activities.

F. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Capital assets include building and improvements, machinery and equipment, vehicles and public domain (infrastructure). Infrastructure consists of improvements including the roadway/street network, park system, and the storm drain, sanitary wastewater and water distribution system. The City/District has a policy whereby assets with an initial, individual cost of more than \$5,000 and \$100,000 for tis non-infrastructure and infrastructure assets, respectively, and an estimated useful life in excess of three years will be capitalized. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide and proprietary funds statements.

The estimated useful lives are as follows:

Infrastructure:	
Roadway/street network (including levee)	10 to 100 years
Park systems	8 to 50 years
Storm drain, sanitary wastewater, and water distribution systems	12 to 50 years
Buildings and improvements	45 to 50 years
Sewer-capacity rights	50 years
Equipment	3 to 10 years
Vehicles	4 to 25 years

The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend asset lives is not capitalized. Improvements are capitalized and, for government-wide and proprietary funds statements, are depreciated over the remaining useful lives of the related capital assets.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

Intangible Assets – Sewer Capacity Rights

The City/District entered into a Joint Powers Agreement (JPA) with the City of San Mateo (San Mateo) to construct wastewater facilities (see Note 12). All capital facilities costs are capitalized in the Wastewater Enterprise Fund and once placed in service, these costs are amortized using the straight-line method over 50 years.

G. Compensated Absences (Vacation and Sick Pay)

The City/District reports compensated absences for accrued vacation leave, sick pay, administrative leave and compensatory leave. In the event of termination, employees are paid for all allowed unused vacation at their current hourly rate in effect. For management and safety employees, vacation pay may be accrued up to three times of their annual accrued rate without forfeiture. For AFSCME employees, vacation pay may be accrued up to two times of their annual accrued rate. The vested portion is available for current use or, if unused, is payable upon termination. After six months of employment, 25% to 30% of an employee's accrued sick leave vests at the current rate of pay.

An Internal Service Fund was established in fiscal year 2012/2013 to fund the payout of compensated absence balances, such as vacation and sick leave that are payable when employees separate from employment with the City related to governmental funds.

H. Property Tax Levy, Collection and Maximum Rates

State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value (\$1 per \$100 of assessed value) plus an additional amount for general obligation debt approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature determines the method of distribution of receipts from the 1% tax levy among the counties, cities, school districts, and other districts.

The County of San Mateo assesses properties and bills for and collects property taxes follows:

	Secured	Unsecured
Valuation/tax lien dates	January 1	January 1
Levy dates	On or before November 1	On or before July 31
Due dates (delinquent after)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

The term “unsecured” refers to taxes on personal property other than land and buildings. These “unsecured” taxes are secured by liens on the personal property being taxed. The County of San Mateo distributes to the City/District the entire amount of each year's levy and in return receives all penalties and interest on delinquent payments.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Revenue Recognition for Water and Wastewater Enterprise Funds

Revenue is recorded as billed to customers on a cyclical basis. All accounts are billed bi-monthly except irrigation accounts and homeowner association (HOA) accounts are billed monthly. Amounts unbilled at June 30 are accrued and recognized as revenue, the billed and unbilled receivables are shown net of an allowance for uncollectible for the Water and the Wastewater Enterprise Funds. As of year-end there were no material uncollected water and wastewater service revenues.

J. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans reported as receivables and payables as appropriate, are subject to elimination upon consolidation in the Government-Wide Financial Statements and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

Service provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are recorded when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers within governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

K. Estimates and Assumptions

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net asset that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The City/District reports deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to a future period and will not be recognized as an inflow of resource (revenue) until that time. The City/District reports deferred inflows related to pensions, leases, OPEB and gain on refunding.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. New Pronouncements

In 2024, the City/District adopted new accounting and reporting standards in order to conform to the following Governmental Accounting Standards Board (GASB) Statements:

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 100 - Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62, Continued

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The requirements of this statement did not apply to the City/District during current fiscal year.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS

Policies

It is the City/District's policy to invest public funds in a manner which will provide the optimal return available consistent with the City/District's liquidity needs and the primary objective of protecting the safety of principal conforming to all laws of the State of California regarding the investment of public funds.

The City/District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City/District contracts the Trust Department of a bank (Bank of New York) as the custodian of certain City/District managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City/District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City/District's name and places the City/District ahead of general creditors of the institution.

The City/District's investments are carried at fair value, as required by generally accepted accounting principles. The City/District 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.

Classification

Cash and investments as of June 30, 2024, are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City lease or agency agreements.

Financial Statement Presentation:

Statement of Net Position:

City of Foster City/Estero Municipal Improvement District:

Cash and investments	\$ 348,839,397
Restricted cash and investments	143,375
Total Primary Government cash and investments	<u>348,982,772</u>

Statement of Fiduciary Net Position:

Cash and investments	86,788
Total Fiduciary Funds cash and investments	<u>86,788</u>
Total cash and investments	<u><u>\$ 349,069,560</u></u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	\$	3,400
Deposits with financial institutions		3,049,155
California Asset Management Program (CAMP)		163,974,390
Local Agency Investment Funds (LAIF)		4,030,402
Money Market		19,625,165
U.S. Treasury Notes		4,952,420
Securities of U.S. Government		153,434,628
	<u>\$</u>	<u>349,069,560</u>

The City/District does not allocate investments by fund. Each proprietary funds portion of Cash and Investments Available for Operation is in substance a demand deposit available to finance operations and is considered a cash equivalent in preparing the statement of cash flows.

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

The City/District maintains a cash and investment pool that is available for use by all funds. Under the provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City is authorized to invest or deposit in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
local Agency Bonds	5 years	5%	5%
U.S. Treasury Obligations	5 years	100%	100%
U.S. Agency Securities	5 years	100%	50%
Bankers Acceptances	180 days	25%	5%
Commercial Paper	90 days	20%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	50%	50%
Medium-Term Notes	5 years	5%	5%
Shares of Beneficial Interest (Mutual Funds)	N/A	10%	10%
Certificates of Deposit (non-negotiable)	1 year	10%	Max with FDIC
San Mateo County Pooled Investment Program	N/A	10%	10%
State Local Agency Investment Fund (LAIF)	N/A	100%	\$75,000,000
State Bonds	5 years	5%	5%

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

During fiscal year ended June 30, 2005, the City/District started to invest funds set aside for the Longevity Recognition Plan and Public Employees' Medical and Hospital Care Act (PEMHCA).

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 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 resolutions, bond indentures or State statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The table below identifies the investment type that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum	Minimum Credit
U.S. Agency Securities	N/A	N/A
Money Market Mutual Funds	N/A	AAm-G or Aam
Short-Term Certificate of Deposit	1	A-1+
Certificates of Deposit, saving account, deposit accounts or money market deposits, trust funds, trust accounts, overnight bank deposits, other bankers acceptances	1 year	25%
Commercial Paper	30 days	A-1
Direct State general obligations, Unsecured general obligations	27 days	A-1 +
Direct State general short-term obligations	N/A	A-
Federal funds or bankers' acceptances	N/A	A-1 +
Repurchase Agreements	1 year	A-1 +
California Local Agency Investment Fund	N/A	A
	N/A	N/A

Risk Disclosures

Interest Rate Risk: It 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 of changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City/District's investment policy limits the weighted average maturity of the City/District's cash and investment pool to less than five years. The City/District also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized gains and losses.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

Investments held in City Treasury grouped by maturity date at June 30, 2024, are shown below:

Investment Type	Total	Investment Maturities (in years)				
		Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Securities of U.S. Government						
Treasury and Agencies:						
Federal Farm Credit Bank Bonds (FFCB)	\$ 5,912,120	\$ 2,921,960	\$ -	\$ -	\$ -	\$ 2,990,160
Federal Home Loan Bank Bonds (FHLB)	95,633,058	25,889,743	23,736,525	23,027,680	5,992,910	16,986,200
Federal Home Loan Mortg. Corp. Bonds (FHLMC)	42,906,560	9,947,390	1,997,830	5,989,720	3,993,020	20,978,600
Federal National Mortgage Association Bonds (FNMA)	8,982,890	-	998,160	1,003,030	-	6,981,700
U.S. Treasury	4,952,420	4,952,420	-	-	-	-
California Asset Management Program (CAMP)	163,974,390	163,974,390	-	-	-	-
Local Agency Investment Funds (LAIF)	4,030,402	4,030,402	-	-	-	-
Money Market	19,625,165	19,625,165	-	-	-	-
Total Investments	346,017,005	\$ 231,341,470	\$ 26,732,515	\$ 30,020,430	\$ 9,985,930	\$ 47,936,660
Cash on hand and in bank	3,052,555					
Total Cash and Investments	\$349,069,560					

Credit Risk: It 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 City/District's investment policy limits its pooled investments to that of securities and obligations of the U.S. Government and mutual funds to the highest ranking or the highest letter and numerical rating by not less than two of the three (Moody's, Standard & Poor's, and Fitch) nationally recognized rating services. At June 30, 2024, the City's deposits and investments subject to credit quality ratings were as follows:

	Credit Quality Ratings	
	Moody's	S&P
Securities of U.S. Government Agencies:		
Federal Farm Credit Bank Bonds (FFCB)	Aaa	AA+
Federal Home Loan Bank Bonds (FHLB)	Aaa	AA+
Federal Home Loan Mortg. Corp. Bonds (FHLMC)	Aaa	AA+
Federal National Mortgage Association Bonds (FNMA)	Aaa	AA+
U.S. Treasury	Aaa	AA+
Not rated:		
California Asset Management Program (CAMP)	N/A	N/A
Money Market	N/A	N/A
Local Agency Investment Funds (LAIF)	N/A	N/A

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

Concentration of Credit Risk: The City/District's investment policy contains limitation of the amount that can be invested in any one issuer beyond that stipulated by the California Government Code Section 53601. The City/District diversifies its portfolio by limiting the percentage of the portfolio that can be invested in any one issuer's name.

	Amount	% of Portfolio
Federal Farm Credit Bank Bonds (FFCB)	\$ 5,912,120	1.71%
Federal Home Loan Bank Bonds (FHLB)	95,633,058	27.64%
Federal Home Loan Mortg. Corp. Bonds (FHLMC)	42,906,560	12.40%
Federal National Mortgage Association Bonds (FNMA)	8,982,890	2.60%
U.S. Treasury	4,952,420	1.43%
Total Securities of U.S. Government Agencies	158,387,048	45.77%
California Asset Management Program (CAMP)	163,974,390	47.39%
Local Agency Investment Fund Pool	4,030,402	1.16%
Money Market	19,625,165	5.67%
Total Investment Portfolio	\$ 346,017,005	100%

Custodial Credit Risk - Deposits: It is the risk that in the event of a bank failure, the City/District's deposits may not be returned. Under the California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 105% to 150% of the total amount deposited by the public agencies depending on specific securities pledged as collateral.

As of June 30, 2024, the carrying amount of the City/District's deposits was \$2,905,774 and the bank balance was \$5,727,323. The City has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution as required by the California Government Code Section 53652.

Custodial Credit Risk - Investments: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City/District's investment policy stipulated the safekeeping and custody requirements for custodial credit risk on all security transactions including the collateral for repurchase agreements. Securities shall be conducted on a delivery-versus-payment (DVP) basis and will be held by a third-party custodian designated by the City Treasurer and evidenced by safekeeping receipts/statements. Collateral will always be held by the third-party custodian as well. The City/District's investment policy requires a collateralization level of 102% of the market value for repurchase agreements which is in conformance with the California Government Code.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

Investment in State Investment Pool: The City/District is a voluntary participant in Local Agency Investment Fund (LAIF), a State of California external investment pool, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City/District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of 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. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. LAIF is not registered with the Securities and Exchange Commission and is not rated.

The City/District valued its investments in LAIF as of June 30, 2024, by multiplying its account balance with LAIF (\$4,045,305) times a fair value factor (0.996316042) computed by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. Accordingly, as of June 30, 2024, the City/District's investments in LAIF, stated at fair value, equaled \$4,030,402.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the "Trust"). The Trust is a joint powers authority, and public agency, created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the amortized cost provided by CAMP, which is the same as the value of the pool share, in accordance with GASB 79 requirements. June 30, 2024, the fair value was approximate to the City's cost.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

Fair Value Measurements

The City categorizes the fair value measurements of its investments based on the 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.

Uncategorized - Investments in San Mateo County Treasury Investment Pool and/or the Local Agency Investment Funds/State Investment Pool are not measured using the input levels above because the City's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

The City's fair value measurements are as follows at June 30, 2024:

<u>Investment Type</u>	<u>Fair Value Measurement Using</u>		<u>Total</u>
	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	
Federal Farm Credit Bank Bonds (FFCB)	\$ -	\$ 5,912,120	\$ 5,912,120
Federal Home Loan Bank Bonds (FHLB)	-	95,633,058	95,633,058
Federal Home Loan Mortg. Corp. Bonds (FHLMC)	-	42,906,560	42,906,560
Federal National Mortgage Association Bonds (FNMA)	-	8,982,890	8,982,890
U.S. Treasury	-	4,952,420	4,952,420
Total Investment Portfolio	\$ -	\$ 158,387,048	158,387,048
Investments not subject to leveling disclosure:			
Local Agency Investment Funds (LAIF)			4,030,402
Money Market			19,625,165
California Asset Management Program (CAMP)			163,974,390
Total Investments			\$ 346,017,005

Treasury securities categorized as Level 2 are valued based on quoted prices in an active market for identical assets. Federal agency securities classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The California Local Agency Investment Fund (LAIF) is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as fair value divided by the amortized cost of the investment pool. The California Asset Management Program (CAMP) is valued based at the amortized costs provide by CAMP which is the same as the value of the pooled share in accordance with GASB 79 requirements

4. LOANS RECEIVABLE

At June 30, 2024, Loans Receivable amounted to:

	<u>Amount</u>	<u>Allowance</u>	<u>Net</u> <u>Amount</u>
Metro Center Senior Homes Project	\$ 7,550,374	\$ (7,550,374)	\$ -
First Time Home Buyer Program	77,323	-	77,323
North Peninsula Jewish Campus Land	12,009,103	-	12,009,103
MP Foster Square Associates, L.P.	4,975,450	-	4,975,450
Successor Agency	445,008	-	445,008
Total	\$ 25,057,258	\$ (7,550,374)	\$ 17,506,884

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

4. LOANS RECEIVABLE, Continued

The former Foster City Community Development Agency entered into the loan program for Metro Center Senior Homes project and First Time Homebuyer program to improve the quality of housing and to increase the availability of affordable housing. Due to the passage of ABx1 26, the Foster City Community Development Agency was dissolved, and the City agreed to become the successor to the former redevelopment agency housing activities and as a result the City of Foster City assumed the loans receivable of the former Foster City Community Development Agency as of February 1, 2012.

Metro Center Senior Homes Project

On July 1, 1995, the Agency loaned \$6,879,774 to Metro Senior Associates (Metro) for the construction of a senior housing project (Project) to be known as the Metro Center Senior Homes Project. The loan bears a two percent interest rate with a maturity of 40 years. To finance the loan of \$6,879,774 to Metro, the Agency sold tax allocation bonds of \$5,000,000 on July 27, 1995 and the remainder of the loan was financed through its accumulated tax increment funds. Payment of the Note is secured by a deed of trust, assignment of rents, security agreement and fixture filing. Payments of principal and interest shall be made from residual cash flow. To the extent there is residual cash flow from the Project, Metro shall pay the entire residual cash flow to the Agency within ninety days of the end of each calendar year. Residual cash flow is defined as all rents and revenues derived from the Project less operation and other related costs of the Project. The loan agreement includes a provision to forgive the promissory note if Metro is acquired by its affiliates, the term of the note shall be extended by an additional 15 years from 40 years to 55 years from the date of the note and all amounts due under the note on the maturity date as extended shall be forgiven. In October 2012, Metro Senior Associates was acquired by its affiliates and as stated in the agreement the loan was extended from 40 years to 55 years from the date of the note. The outstanding loan balance will be forgiven at the end of the 55 years. As of June 30, 2024, the Agency provided a 100% valuation allowance equal to the loan balance outstanding in the amount of \$7,550,374 which includes principal of \$5,854,194 and accumulated interest in the amount of \$1,696,180.

First Time Homebuyer Program

The Agency started the First Time Homebuyer Program to provide low interest second mortgages for people who live and/or work in the City/District who can afford moderate monthly mortgage payments and require assistance with the down payment in order to purchase their first home. These loans have an interest rate of 3% and a term of 30 years. However, there are no payments and no accrued interest for the first five years. Beginning in year six, equal monthly payments of principal and interest will commence and continue for the remaining 25 years. The outstanding balance of these loans is \$77,323 at June 30, 2024.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

4. LOANS RECEIVABLE, Continued

North Peninsula Jewish Campus Land, LLC

On September 20, 2012, the City sold 11 acre site bounded by Foster City Boulevard, Balclutha Drive, Shell Boulevard and south drive to the North Peninsula Jewish Campus Land, LLC for \$20,000,000. According to the business term of the sale and purchase agreement, \$1,000,000 of the purchase price was paid in cash at closing, the balance of the purchase price in the amount of \$19,000,000 is financed by the City via a seller carry-back financing loan. The loan terms are 25-year at a fixed rate of 3.25%, secured by a first position deed of trust. The monthly loan payment is in the amount of \$92,590.08 beginning on November 1, 2012 and ending on October 1, 2037. The outstanding balance of this loan which is reported in the statement of net position is \$12,009,103 as of June 30, 2024.

MP Foster Square Associates, L.P.

On December 3, 2014, the City made a loan of \$4,750,000 to MP Foster Square Associates, L.P. to assist in financing an affordable housing project in Foster Square (15-acre site). The loan is secured by a deed of trust, assignment of rents, security agreement and fixture filing. The loan bears a rate of three percent simple interest per annum.

Annual payments on this Note shall be payable on a residual receipts basis with a proportional share of 50% of all surplus cash payable to City toward principal and interest. The entire outstanding principal balance of this Note, together with interest accrued thereon shall be payable in full on the date which is the earlier of 1) the 55th anniversary of the date upon which the City issues a final certificate of occupancy or equivalent for the Project, or 2) the 57th anniversary of the date of the Note.

No payment shall be due on the note prior to the date that City issues a final certificate of occupancy or equivalent for the Project. As of June 30, 2024, final certificate of occupancy has not been issued. The outstanding loan balance is \$4,975,450 which includes principal of \$4,023,577 and accrued interest of \$951,873.

Successor Agency

In fiscal year 2013/2014, the City had an extraordinary loss of \$1,368,510 due to the Sacramento Superior Court ruling against the City regarding the general fund loan repayment received from the former Foster City Community Development Agency in FY 2010/2011. Included in the \$1,368,510 was the repayment of \$1,115,697 to the general fund. This loan repayment was clawed back per AB1484; however, the City was allowed to reinstate the general fund loan with the Successor Agency of the former Foster City Community Development Agency. In FY 2014/2015, the loan reinstatement request for \$1,115,697 plus accrued interest of \$15,568 was approved by the State Department of Finance on November 10, 2014 retroactive September 10, 2014. As a result, the Successor Agency recorded a loan payable to the City effective that date. The outstanding balance of this loan including accrued interest from September 11, 2014 through June 30, 2024 is \$445,008. Payments will be made by the Successor Agency using available future funds from the County's Reserve for Property Tax Trust Fund (RPTTF).

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

5. INTERFUND TRANSACTIONS

Transfers

Resources may be transferred from one City/District fund to another. The purpose of the majority of transfers is to move resources from one fund to another. Less often, a transfer may be made to open or close a fund. The following schedule summarizes the City/District's transfer activity:

	Transfers In				
	Governmental Funds				
	General Fund	Low and Moderate Income Housing Assets Fund	City Capital Projects Fund	Levee Capital Project Fund	Total Transfers Out
Transfers Out					
Governmental Funds:					
General Fund	\$ -	\$ 63,564	\$ 6,095,303	\$ -	\$ 6,158,867
Non-Major Governmental Funds	71,948	-	-	557,446	629,394
Total Transfers In	<u>\$ 71,948</u>	<u>\$ 63,564</u>	<u>\$ 6,095,303</u>	<u>\$ 557,446</u>	<u>\$ 6,788,261</u>

Transfers between funds were made during the fiscal year to fund capital improvement projects, summer concerts, sustainable Foster City Programs, and for Low and Moderate-Income Housing Assets. \$557,446 transfer from non-major governmental funds to levee capital project fund is to repay capital asset and acquisition replacement fund (CAARF).

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

6. CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 2024 were as follows:

	July 1, 2023	Additions	Retirements	Transfers	June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 12,224,622	\$ -	\$ -	\$ -	\$ 12,224,622
Construction in progress	91,925,793	13,945,084	(218,843)	(100,547,817)	5,104,217
Total capital assets, not being depreciated	104,150,415	13,945,084	(218,843)	(100,547,817)	17,328,839
Capital assets, being depreciated:					
Infrastructure	123,731,798	-	(1,686,497)	99,952,284	221,997,585
Buildings	55,904,095	-	-	-	55,904,095
Improvements	5,898,096	-	-	595,533	6,493,629
Equipment	7,126,749	104,845	(23,414)	-	7,208,180
Vehicles	4,275,914	690,804	-	-	4,966,718
Software	876,076	-	(15,600)	-	860,476
Total capital assets, being depreciated	197,812,728	795,649	(1,725,511)	100,547,817	297,430,683
Less accumulated depreciation for:					
Infrastructure	(81,952,998)	(4,286,726)	1,686,497	-	(84,553,227)
Buildings	(24,471,145)	(1,263,343)	-	-	(25,734,488)
Improvements	(3,639,658)	(204,706)	-	-	(3,844,364)
Equipment	(5,322,002)	(238,700)	23,414	-	(5,537,288)
Vehicles	(2,637,293)	(348,889)	-	-	(2,986,182)
Software	(713,745)	(45,154)	4,939	-	(753,960)
Total accumulated depreciation	(118,736,841)	(6,387,518)	1,714,850	-	(123,409,509)
Total capital assets, being depreciated, net	79,075,887	(5,591,869)	(10,661)	100,547,817	174,021,174
Governmental activities capital assets, net	\$ 183,226,302	\$ 8,353,215	\$ (229,504)	\$ -	\$ 191,350,013

Total capital asset additions for the City for the fiscal year ended for governmental activities were \$14,740,733 which consisted of \$839,948 in additions attributable to internal service fund activity.

Business-type capital assets activity for the year ended June 30, 2024 were as follows:

	July 1, 2023	Additions	Retirements	Transfers	June 30, 2024
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,553,474	\$ -	\$ -	\$ -	\$ 3,553,474
Construction in progress	130,530,298	20,994,302	-	(9,508,480)	142,016,120
Total capital assets, not being depreciated	134,083,772	20,994,302	-	(9,508,480)	145,569,594
Capital assets, being depreciated:					
Infrastructure	76,750,221	65,444	(351,353)	9,508,480	85,972,792
Sewer capacity rights	24,791,531	-	-	-	24,791,531
Equipment	3,172,507	133,165	-	-	3,305,672
Total capital assets, being depreciated	104,714,259	198,609	(351,353)	9,508,480	114,069,995
Less accumulated depreciation for:					
Infrastructure	(53,815,144)	(2,093,420)	351,353	-	(55,557,211)
Sewer capacity rights	(9,023,313)	(495,830)	-	-	(9,519,143)
Equipment	(1,727,308)	(168,254)	-	-	(1,895,562)
Total accumulated depreciation	(64,565,765)	(2,757,504)	351,353	-	(66,971,916)
Total capital assets, being depreciated, net	40,148,494	(2,558,895)	-	9,508,480	47,098,079
Business-type activities capital assets, net	\$ 174,232,266	\$ 18,435,407	\$ -	\$ -	\$ 192,667,673

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

6. CAPITAL ASSETS, Continued

Depreciation

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

	Governmental Activites	Business-Type Activites
Governmental Activities		
General government	\$ 571,272	\$ -
Public safety - Police	133,027	-
Public safety - Fire	5,741	-
Public works	3,111,651	-
Community development	184,870	-
Parks and recreation	1,750,033	-
Internal Service Fund	630,924	-
Business-Type Activites		
Water	-	971,391
Wastewater	-	1,786,113
Total depreciation expense	\$ 6,387,518	\$ 2,757,504

7. LONG TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2024:

	July 1, 2023	Additions	Retirements	June 30, 2024	Due Within One Year	Due in More Than One Year
Governmental activities:						
Claim liability	\$ 140,000	\$ 121,176	\$ (111,176)	\$ 150,000	\$ 150,000	\$ -
Compensated absences	2,620,161	1,257,438	(1,091,807)	2,785,792	1,066,813	1,718,979
2020 GO Bonds	77,165,000	-	(3,050,000)	74,115,000	1,700,000	72,415,000
Plus: bond premium	5,838,372	-	(215,572)	5,622,800	-	5,622,800
2023 GO Bonds	-	5,000,000	-	5,000,000	-	5,000,000
Plus: bond premium	-	224,971	(8,597)	216,374	-	216,374
Direct placement:						
PG&E On-Bill Financing	62,932	-	(28,844)	34,088	31,466	2,622
Total governmental activities	<u>\$ 85,826,465</u>	<u>\$ 6,603,585</u>	<u>\$ (4,505,996)</u>	<u>\$ 87,924,054</u>	<u>\$ 2,948,279</u>	<u>\$ 84,975,775</u>
Business-type activities:						
Compensated absences	\$ 376,136	\$ 176,951	\$ (162,314)	\$ 390,773	\$ 159,184	\$ 231,589
2019 Wastewater Revenue Bonds	32,190,000	-	(600,000)	31,590,000	630,000	30,960,000
Plus: Unamortized bond premium	5,658,458	-	(225,509)	5,432,949	-	5,432,949
2021 Wastewater Revenue Notes, Series A	62,760,000	-	(62,760,000)	-	-	-
Plus: Unamortized bond premium	5,854,254	-	(5,854,254)	-	-	-
WIFIA Loan	-	66,860,640	-	66,860,640	1,901,509	64,959,131
Total business-type activities	<u>\$ 106,838,848</u>	<u>\$ 67,037,591</u>	<u>\$ (69,602,077)</u>	<u>\$ 104,274,362</u>	<u>\$ 2,690,693</u>	<u>\$ 101,583,669</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. LONG TERM OBLIGATIONS, Continued

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$245,603 of compensated absences, \$150,000 of claims liability and \$34,088 of PG&E On-Bill Financing from the internal service funds are included in the above amounts.

The general fund has typically been used to liquidate the other postemployment benefit obligation within governmental activities and the water and wastewater funds have been used to liquidate obligations under business-type activities.

Series 2020 General Obligation Bonds

On August 4, 2020, the City issued General Obligation Bonds (2020 GO Bonds) in the amount of \$85,000,000, bearing interest at the rate of 2% to 4%. Interest payments are payable semi-annually on February 1 and August 1, commencing February 1, 2021. The bonds are being issued to finance the improvement of the City's levee system and payable solely from ad valorem property taxes levied by the City and collected by San Mateo County. Principal payable on the bonds will be paid on August 1 starting on August 1, 2021. The Bonds maturing on or before August 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2028 are subject, at the option of the City, to redemption prior to their stated maturities in whole or in part on any date commencing August 1, 2027, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. If the City fails to comply with any provision of the Disclosure Certificate, the participating underwriter or owners of the bonds may take actions as deemed necessary and appropriate. However, a default under the disclosure Certificate should not be deemed an Event or Default.

2019 Wastewater Revenue Bond

On June 4, 2019, the San Mateo-Foster City Public Financing Authority (PFA) issued 2019 Series Wastewater Revenue Bonds (2019 Bonds) in the amount of \$270,000,000, of which the District's allocated share is \$33,820,000 (District Bonds). As stipulated in a Financing Agreement, Foster City/Estero Municipal Improvement District is solely liable for the repayment of the District Bonds. The City of San Mateo is solely responsible for the remaining \$236,180,000 under its separate financing agreement. Interest payments are payable semi-annually on February 1 and August 1, commencing February 1, 2020.

The District Bonds mature through August 1, 2049 and bear interest at the rate of 4% to 5%. The issuance resulted in a bond premium of \$6,579,286 for the District Bonds.

The 2019 District Bonds are payable from net revenues received by the District from the operation of its Wastewater Enterprise Fund. The outstanding principal balance, net of bond premium was \$37,022,949 at June 30, 2024. Total principal and interest payments on the District Bonds until final maturity is \$54,214,750.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. LONG TERM OBLIGATIONS, Continued

The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments for principal and interest; the failure of the Authority to observe or perform any of the covenants, agreements or conditions on its part in the Indenture or in the 2019 Bonds contained; filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws; or failure by a Member to make any payment in full when due under the related Financing Agreement in respect of the debt service on the 2019 Bonds, as set forth in respective payment schedules filed with the Trustee by the Authority.

2021 Wastewater Revenue Notes Series A

On July 1, 2021, the Estero Municipal Improvement District (EMID) and City of San Mateo issued a total of \$348,590,000 Series 2021 Wastewater Revenue Notes (\$62,760,000 Series A for EMID and \$271,565,000 Series B for San Mateo) and Wastewater Revenue Bonds (\$14,265,000 Series B exclusively for San Mateo) through the San Mateo-Foster Public Financing Authority (PFA). Proceeds of the Notes are to finance the costs of acquiring, engineering, and constructing certain capital improvements to expand and upgrade the wastewater treatment facility. The 2021 Series A Wastewater Revenue Bonds are for the refunding of San Mateo's 2011 City bonds. The revenue notes bear interest rates of 5% with annual principal payments starting on August 1, 2025, and semi-annual interest payments due on February 1 and August, commencing on August 1, 2022. The City of San Mateo/EMID are responsible for their own respective share and cannot be held liable if the other agency defaults on any of the notes' TERMS. EMID is responsible for the original value of the Series A Notes which amounted to the par value of \$62,760,000 with an unamortized premium of \$11,708,506. Total principal and interest payments will amount to \$75,573,500 upon its maturity.

The 2021 Revenue Notes are payable from the net revenues received from the operations of EMID's Wastewater Enterprise Fund.

On February 15, 2024, the City/District defeased the entire outstanding balance of the 2021 Revenue Notes by placing the proceeds of the Water Infrastructure and Innovation Act (WIFIA) Loan in an irrevocable trust to provide for all future debt service payments on the 2021 Revenue Notes. Accordingly, the trust account assets and the liability for the defeased Notes is not included in the City/District's financial statements. The transaction resulted in a net gain for accounting purposes (difference between the carrying amount of the old debt and the net proceeds from the new debt) of \$3,729,886 which was recognized as a deferred gain on refunding - reported under deferred inflows of resources and is being amortized over the life of the 2021 Revenue Note.

The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts, plus or minus funds on hand) of \$3,416,018.

Water Infrastructure Finance and Innovation Act (WIFIA) Loan

On November 30, 2020, the District entered into an agreement with the San Mateo-Foster City Public Financing Authority (PFA) and the Environmental Protection Agency (EPA) for a \$66,860,640 loan (Loan) under the EPA's Water Infrastructure Finance and Innovation Act (WIFIA) loan program. The purpose of the loan is to finance a portion of the District's share of the San Mateo/District's joint clean Water Program project (a.k.a. the District's Wastewater Treatment Plant Master Plan Improvement project, CIP 455-652).

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. LONG TERM OBLIGATIONS, Continued

On February 9, 2024 the agreement was amended to “the District to deliver evidence to the WIFIA that any interim financing, the proceeds of which were applied to pay Eligible project Costs that are the subject of the relevant disbursement of the WIFIA Loan, have been fully paid, redeemed, defeased, and/or discharged (or shall be fully paid, redeemed, defeased and/or discharged within five (5) business days after such WIFIA Loan disbursement)”. Accordingly, on February 15, 2024 the entire Loan amount of \$66,860,640 was disbursed to the City. \$63,128,092 of the proceeds was used to defease outstanding balance of the 2021 Revenue Notes by placing in an irrevocable trust.

The loan bears a fixed interest rate of 1.14% amortized over 30 years. Principal payments are due annually on August 1 and semi-annual interest payments are due each February 1 and August 1 commencing on August 1, 2024.

California State Water Control Board Loan

On May 11, 2022, the District entered into an agreement with The San Mateo-Foster City Public Financing Authority (PFA) and the California State Water Resources Control Board for a \$33,583,004 loan. The funds are being used for a Clean Water Revolving Fund project to upgrade and expand the wastewater treatment plant. The loan bears interest at 0.8 percent per year and the final installment payment is due August 31, 2054. As of June 30, 2024, the District has not drawn down on the loan.

Debt Service Requirements

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

Governmental Activities:

For the Year Ending June 30	Governmental-Type Activities		
	Principal	Interest	Total
2025	\$ 1,700,000	\$ 2,415,163	\$ 4,115,163
2026	1,770,000	2,343,413	4,113,413
2027	1,945,000	2,271,213	4,216,213
2028	2,025,000	2,190,863	4,215,863
2029	2,105,000	2,107,263	4,212,263
2030/2034	11,885,000	9,170,838	21,055,838
2035/2039	14,130,000	6,952,588	21,082,588
2040/2044	16,340,000	4,783,538	21,123,538
2045/2049	18,940,000	2,219,475	21,159,475
2050/2051	8,275,000	212,294	8,487,294
	<u>79,115,000</u>	<u>\$ 34,666,644</u>	<u>\$ 113,781,644</u>
Plus: Unamortized Premium	<u>5,839,174</u>		
	<u>\$ 84,954,174</u>		

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. LONG TERM OBLIGATIONS, Continued

Business-Type Activities:

For the Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 630,000	\$ 5,322,703	\$ 5,952,703
2026	2,566,509	2,173,248	4,739,757
2027	2,623,311	2,117,321	4,740,632
2028	2,680,362	2,059,395	4,739,757
2029	2,737,666	1,989,466	4,727,132
2030/2034	14,671,949	9,018,460	23,690,409
2035/2039	16,484,187	7,206,098	23,690,285
2040/2044	18,486,457	5,208,304	23,694,761
2045/2049	20,865,813	2,825,248	23,691,061
2050/2054	12,824,431	548,655	13,373,086
2055/2056	3,879,955	54,947	3,934,902
Total	98,450,640	\$ 38,523,844	\$ 136,974,484
Plus: Unamortized Premium	5,432,949		
	\$ 103,883,589		

8. NET POSITION AND FUND BALANCES

Net Position

The government-wide, proprietary fund and fiduciary fund financial statements utilize a net position presentation. Net positions are categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position: This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This category represents net positions of the City/District, not restricted for any project or other purpose.

Fund Balances

Fund balances presented in the governmental fund financial statements, represent the difference between assets and deferred outflows, and liabilities and deferred inflows reported in a governmental fund. The City's fund balances are classified 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.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

8. NET POSITION AND FUND BALANCES, Continued

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, inventory, notes receivable, and land held for resale 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 – represents balances that have external restrictions imposed by creditors, grantors, contributors, laws, regulation, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances, donations, and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed – represents balances that have constraints imposed by the City’s highest level of decision-making authority, the City Council, through Council Resolution. Commitments may be altered only by Council Resolution, which the City taking the same formal action that imposed the constraint originally. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned – represents balances intended to be used by the City for specific purposes but are neither restricted nor committed. The City Council through City Resolution delegated the authority to the City Manager to assign fund balances which are not otherwise restricted or committed.

Unassigned – represents the residual fund balances 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. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

8. NET POSITION AND FUND BALANCES, Continued

Detailed classifications of the City's Fund Balances, as of June 30, 2024, are below:

	Major Funds						Non-Major	Total
	General Fund	Low and Moderat	Foster City	City Capital	Capital Asset	Levee Project	Governmental	
		Income Housing	Affordable					
Nonspendable								
Prepays and deposits	\$ 20,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,103	\$ 40,284
Inventory	16,900	-	-	-	-	-	-	16,900
Total Nonspendable	37,081	-	-	-	-	-	20,103	57,184
Restricted								
Affordable housing	-	2,561,516	-	-	-	-	45,996	2,607,512
Parks	-	-	-	-	-	-	3,605,513	3,605,513
Public safety program	69,654	-	-	-	-	-	61,579	131,233
Levee improvement costs	-	-	-	-	-	2,916,284	-	2,916,284
Roadway capital project and maintenance	-	-	-	-	-	-	14,808,010	14,808,010
Recreation programs and community events	-	-	-	-	-	-	670,748	670,748
General Obligation Bonds debt services	-	-	-	-	-	-	4,689,044	4,689,044
Total Restricted	69,654	2,561,516	-	-	-	2,916,284	23,880,890	29,428,344
Committed								
Solid waste reduction	-	-	-	-	-	-	772,717	772,717
Garbage rate stabilization fund	101,493	-	-	-	-	-	-	101,493
Capital projects	-	-	-	81,963,287	4,735,436	-	-	86,698,723
Affordable housing	-	-	4,733,651	-	-	-	244,933	4,978,584
CalOpps online requirement program	-	-	-	-	-	-	656,709	656,709
Sustainable Foster City	265,249	-	-	-	-	-	-	265,249
General plan, building and zoning	-	-	-	-	-	-	2,287,171	2,287,171
Commercial linkage fee	-	-	-	-	-	-	-	-
Technology fee program	-	-	-	-	-	-	209,927	209,927
Community benefit	1,116,780	-	-	-	-	-	-	1,116,780
Solar rebate	52,502	-	-	-	-	-	-	52,502
Facility maintenance	2,588,919	-	-	-	-	-	-	2,588,919
Employee home loan program	64,710	-	-	-	-	-	-	64,710
Pension	98,870	-	-	-	-	-	-	98,870
Total Committed	4,288,523	-	4,733,651	81,963,287	4,735,436	-	4,171,457	99,892,354
Unassigned	63,734,236	-	-	-	-	-	-	63,734,236
Total Fund Balances	\$ 68,129,494	\$ 2,561,516	\$ 4,733,651	\$ 81,963,287	\$ 4,735,436	\$ 2,916,284	\$ 28,072,450	\$ 193,112,118

The City/District uses encumbrance accounting throughout the fiscal year to encumber appropriations based upon purchase orders issued to the City/District's vendors. Any purchase order not expended lapse at the end of the fiscal year and must be reinitiated with the vendor on July 1 of the subsequent fiscal year. As of June 30, 2024, there were no encumbered fund balances.

Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2024:

	Governmental	Business-Type	Total
	Activities	Activities	
Capital Asset, net of accumulated depreciation:	\$ 191,350,013	\$ 192,667,673	\$ 384,017,686
Less: Capital debt:	(84,988,263)	(103,883,589)	(188,871,852)
Less: Gain on debt refunding	-	(2,770,773)	(2,770,773)
Plus: Unspent bond proceeds	-	1,674,859	1,674,859.00
	\$ 106,361,750	\$ 87,688,170	\$ 194,049,920

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN

The City participates in the following Pension Plans administered by the California Public Employees Retirement System (CalPERS):

Agent Multiple-Employer Defined Benefit Pension Plan (Agent Multiple) for its miscellaneous employees.

An agent multiple-employer plan is one in which the assets of the participating government employers are pooled for investment purposes, but separate accounts are maintained for each individual employer.

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost Sharing) for its Safety and miscellaneous employees.

A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended June 30, 2024:

	Deferred Outflows of Resources	Total/Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
CalPERS Plans:				
Agent Multiple Employer Miscellaneous Plan	\$ 12,593,194	\$ 40,649,593	\$ 326,890	\$ 7,365,225
Cost Sharing Plan	20,519,074	52,286,631	2,776,299	7,907,064
City	19,372,956	49,744,928	2,440,282	7,615,223
EMID	1,146,118	2,541,703	336,017	291,841
Sub-total	33,112,268	92,936,224	3,103,189	15,272,289
Longevity Recognition Benefits	680	3,059,419	5,741	120,791
Total	<u>33,112,948</u>	<u>95,995,643</u>	<u>3,108,930</u>	<u>15,393,080</u>

A. CalPERS Plans

General Information about the Pension Plans

Plan Descriptions – All qualified permanent employees are eligible to participate in the City's separate Safety (police and fire) and miscellaneous cost-sharing Plans and Miscellaneous (all other) agent multiple employers defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS).

The Miscellaneous Plan is an agent multiple-employer defined benefit pension plan 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 provision, assumptions and membership information that can be found on the CalPERS website.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

A. CalPERS Plans, Continued

The City's Cost-Sharing plan multiple-employer defined benefit pension plan is administered by CalPERS since the plan has less than 100 active members, commonly referred to as risk pool. The City has three retirement benefit tiers in the Safety Plan. Tier 1 is for employees hired prior to January 1, 2012. Tier 2 is for employees hired between January 1, 2012 to December 31, 2012. Tier 3 is for employees hired on or after January 1, 2013.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment, age and the average of the final 3 years' compensation. 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 1959 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, 2024, are summarized as follows:

	Agent-Multiple		Cost Sharing		
	Miscellaneous Plan		Miscellaneous & Safety Plan		
	Classic	PEPRA	Classic	Classic (Police)	PEPRA
	Prior to	On or after	Prior to	On or after	On or after
Hire date	1/1/2013	1/1/2013	1/1/2012	1/1/2012	1/1/2013
Benefit formula	2.7% @ 55	2% @ 62	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	50	57
Final compensation period	Three Year	Three Year	Three Year	Three Year	Three Year
Monthly benefits, as a % of annual salary	2% to 2.7%	1% to 2.5%	9%	9%	13% (Police)
Required employee contribution rate	8.00%	6.25%	8.99%	8.95%	13.00%
Required employer contribution rate *	39.69%	39.69%	25.65%	19.95%	13.54%
Total employee contribution FY 23/24	\$ 525,563	\$ 634,035	\$ 219,279	\$ 24,092	\$ 426,242
Total employer contribution FY 23/24	\$ 4,448,914	\$ 1,016,261	\$ 4,306,143	\$ 53,403	\$ 419,732

* including Unfunded Actuarial Liability (UAL) contribution rate

Employees Covered – The following employees were covered by the benefit terms of the Miscellaneous Plan as of the most recent actuarial valuation date of June 30, 2022, however, information for the Cost sharing Plans was not provided from CalPERS for cost-sharing multiple-employer defined benefit pension plans.

	Miscellaneous *
Inactive employees or beneficiaries currently receiving benefits	234
Inactive employees entitled to but not yet receiving benefits	174
Active employees	119
Total	527

* All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

A. CalPERS Plans, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of 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 rates of employees.

For the year ended June 30, 2024, the contributions for the Plans were as follows:

	Agent Multiple Employer Miscellaneous *	Cost-Sharing Plans *	Total
Contribution - employer	\$ 5,465,175	\$ 4,779,279	\$ 10,244,454
Contribution - employee	\$ 1,159,598	\$ 669,613	\$ 1,829,211

* All Tiers of the Miscellaneous and Safety plans were combined together on GASB 68 report by CalPERS

B. Net Pension Liability

The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. For the Cost Sharing Plan, net pension liability is measured as the proportionate share of the net pension liability.

The Net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability (Cost-Sharing Plan) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Cost-Sharing Plan as of measurement dates June 30, 2023 and 2024 were as follows:

	Cost Sharing Plan
Proportion - June 30, 2022	0.42756%
Proportion - June 30, 2023	0.41912%
Change-Increase (Decrease)	-0.00844%

As of measurement date June 30, 2023, the City's reported net pension liabilities for its proportionate shares of the net pension liability of the Cost Sharing Plan as follow:

	Cost Sharing Plan
Proportionate Share of Net Pension Liability	\$ 52,286,631

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions for both Plans:

	All Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds

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.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension cash flows. Using historical 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	Assumed	
	Asset Allocation	Real Return
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity-Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59
Total Fund	100.00%	28.93%

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

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

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Miscellaneous Plan* are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023 Measurement Date:	\$ 141,442,660	\$ 102,387,770	\$ 39,054,890
Changes in the year:			
Service cost	2,344,180	-	2,344,180
Interest on the total pension liability	9,710,745	-	9,710,745
Changes of benefit terms	157,544	-	157,544
Difference between expected and actual experience	1,842,954	-	1,842,954
Net Plan to plan resource movement	-	-	-
Contributions - employer	-	5,135,888	(5,135,888)
Contributions - employees	-	1,013,709	(1,013,709)
Net investment income	-	6,386,414	(6,386,414)
Benefit payments, including refunds of employee contributions	(7,759,645)	(7,759,645)	-
Administrative expenses	-	(75,291)	75,291
Net changes	6,295,778	4,701,075	1,594,703
Balance at June 30, 2024 Measurement Date:	\$ 147,738,438	\$ 107,088,845	\$ 40,649,593

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

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

	Agent-Multiple Employer Miscellaneous Plan*		Cost-Sharing Plan*	
Discount Rate 1% Decrease		5.90%		5.90%
Net Pension Liability	\$	59,694,481	\$	75,406,443
Current Discount Rate		6.90%		6.90%
Net Pension Liability	\$	40,649,593	\$	52,286,631
Discount Rate 1% Increase		7.90%		7.90%
Net Pension Liability	\$	24,935,133	\$	33,384,148

* All Tiers of the Miscellaneous and Safety plans were combined together on GASB 68 report by CalPERS

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

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

For the year ended June 30, 2024, the City recognized pension expense of \$7,365,225 for the Miscellaneous Agent Multiple Employer Plan and \$7,907,064 for the Cost Sharing Plan.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source for the Miscellaneous Agent Multiple Employer Plan, and the Cost-Sharing Plan:

	Agent-Multiple Employer Miscellaneous Plan		Cost Sharing Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,445,603	\$ -	\$ 4,798,851	\$ -	\$ 10,244,454	\$ -
Changes of Assumptions	990,227	-	3,051,877	-	4,042,104	-
Differences between actual and expected experience	1,105,772	(326,890)	3,834,829	(328,934)	4,940,601	(655,824)
Net difference between projected and actual earnings on pension plan investments	5,051,592	-	6,807,580	-	11,859,172	-
Changes in employer's proportion	-	-	1,289,487	(1,108,305)	1,289,487	(1,108,305)
Difference between the employer's contributions and the employer's proportionate share of contributions	-	-	736,450	(1,339,060)	736,450	(1,339,060)
Total	<u>\$12,593,194</u>	<u>\$ (326,890)</u>	<u>\$20,519,074</u>	<u>\$ (2,776,299)</u>	<u>\$ 33,112,268</u>	<u>\$ (3,103,189)</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

\$10,244,454 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 ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Agent Multiple Employer		Total
	Miscellaneous Plan	Cost Sharing Plan	
2025	\$ 964,176	\$ 4,117,208	\$ 5,081,384
2026	3,370,439	2,902,401	6,272,840
2027	123,823	5,724,449	5,848,272
2028	2,362,263	199,866	2,562,129
	<u>\$ 6,820,701</u>	<u>\$ 12,943,924</u>	<u>\$ 17,202,496</u>

Longevity Recognition Benefits

The Longevity Recognition defined benefits plan offered by City is a single-employer plan for post-employment obligation, with no associated trust, established for the benefit of the classifications of Police Officer, Police Corporal, Police Sergeant, Police Lieutenant, Police Captain, Police Chief, Firefighter, Fire Captain, Battalion Chief and Fire Chief. It was also afforded to the members of the AFSCME bargaining unit who retired after July 1, 2001 and before October 1, 2007. At June 30, 2024, the reporting date, the following numbers of employees were covered by the benefit terms:

	Numbers of Covered Employees
Inactives currently receiving benefits	61
Inactives entitled to benefit payments	2
Active employees	12
Total	<u>75</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

The monthly benefit is calculated based on the years of service and bargaining group, which ranges from \$125 to \$350. The summary of the plan provisions is listed below:

Eligibilities	Active Fire, Police and Safety Management employees hired before 1/1/12 (Plan is closed to new entrants) Age 50 & 10 years of City services Retire from the City & CalPERS (service or disability) Miscellaneous Management and AFSCME members who retired before 9/30/07																														
Retiree Benefits	Monthly benefit varies by City service: <table border="1"> <thead> <tr> <th>Years of City Service</th> <th>AFSCME</th> <th>Mgmt.</th> <th>Police</th> <th>Fire</th> </tr> </thead> <tbody> <tr> <td><10</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>10-14</td> <td>125</td> <td>125</td> <td>140</td> <td>125</td> </tr> <tr> <td>15-19</td> <td>200</td> <td>200</td> <td>210</td> <td>200</td> </tr> <tr> <td>20-24</td> <td>275</td> <td>275</td> <td>275</td> <td>275</td> </tr> <tr> <td>≥25</td> <td>350</td> <td>350</td> <td>345</td> <td>350</td> </tr> </tbody> </table>	Years of City Service	AFSCME	Mgmt.	Police	Fire	<10	0	0	0	0	10-14	125	125	140	125	15-19	200	200	210	200	20-24	275	275	275	275	≥25	350	350	345	350
Years of City Service	AFSCME	Mgmt.	Police	Fire																											
<10	0	0	0	0																											
10-14	125	125	140	125																											
15-19	200	200	210	200																											
20-24	275	275	275	275																											
≥25	350	350	345	350																											
Withdrawal Benefit & Pre-retirement Death Benefit	None, unless eligible for service or industrial disability retirement benefit																														

The payment is made upon separation from the City, as long as that separation is in conjunction with a retirement through CalPERS. The payment is a monthly annuity payment, which has no restriction as to how the payment is used by the member. The payment commences the first of the month following the retirement date of the annuitant.

Total pension liabilities for the plan were as follows:

Measurement Date	Total Pension Liability	
	June 30, 2024	June 30, 2023
	6/30/2024	6/30/2023
Total Pension Liability (TPL)	\$ 3,059,419	\$ 3,158,225

No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement No. 73 of the Governmental Accounting Standards Board.

Sensitivity of total pension liability to changes in the Discount Rate:

	Sensitivity of Total Pension Liability to Changes in the Discount Rate		
	1% Decrease	Current Rate	1% Increase
	(2.97%)	(3.97%)	(4.97%)
Total pension liability	\$ 3,398,505	\$ 3,059,419	\$ 2,774,122

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

Changes in the Total Pension Liability for Longevity Plan

The changes in the Total Pension Liability for the Longevity Plan are as follows:

	Total Pension Liability (a)
Balance as of Fiscal Year 6/30/2023:	<u>\$ 3,158,225</u>
Service cost	17,274
Interest cost	118,630
Changes of Benefit Terms	-
Actual vs. expected experience	4,081
Changes of assumptions	(34,448)
Benefit payments	(204,343)
Net Changes during Fiscal Year 2024	<u>(98,806)</u>
Balance as of Fiscal Year 6/30/2024:	<u>\$ 3,059,419</u>

Balances of Deferred Outflows/Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ 680	\$ -
Changes of assumptions	-	(5,741)
Total	<u>\$ 680</u>	<u>\$ (5,741)</u>

Total deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

Year Ended	Amount
June 30	
2025	\$ (5,061)
	<u>\$ (5,061)</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. EMPLOYEE'S RETIREMENT PLAN, Continued

B. Net Pension Liability, Continued

Significant Actuarial Assumptions:

Used in Calculating the Total Pension Liability	
Significant Actuarial Assumptions	June 30, 2024 Measurement Date
Actuarial Valuation Date	June 30, 2024
Contribution Policy	The City pays benefits as they come due
Discount Rate	3.97% at June 30, 2024 (Bond Buyer 20 Index) 3.86% at June 30, 2023 (Bond Buyer 20 Index)
General Inflation	2.30% per annum
Mortality, Retirement, Disability, Termination	Same as CalPERS
Mortality Improvement	Pre-Retirement and Post-Retirement mortality rates include generational mortality improvement at 80% of the MP 2020 table published by the Society of Actuaries.
Payroll Increases	Aggregate: 2.80% 2021 CalPERS Merit Salary Increases.

Internal Revenue Code Section 401(a) Plan and 457 Deferred Compensation Plan

City/District employees may contribute a portion of their compensation under the City/District sponsored 401(a) Retirement Plan and 457 Deferred Compensation Plan created in accordance with Internal Revenue Code Section 401(a) and 457. Under these Plans, participants are not taxed on their contributions to the Plans until it is distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans. The laws governing the plan assets require the 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/District's property and are not subject to the City/District control, they have been excluded from these financial statements. These plans are classified as other employee benefits for financial report purposes.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the City's OPEB Plan

All City/District employees, their surviving spouses, and eligible dependents can continue to participate in the health care program under the provisions of the formal City-sponsored single employer plan at their own cost. The City/District will only contribute the minimum amount provided under Government Code Section 22825 of the Public Employee Medical and Hospital Care Act by which, the City/District paid \$151 and \$157 per month per family for the period from July 1, 2023, to December 31, 2023 and January 1, 2024 to June 30, 2024, respectively. The City/District's contribution for fiscal year 2024 amounted to \$471,917 which included \$275,842 implied subsidy benefit payment. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by Benefit Terms - Membership in the plan consisted of the following at the measurement date of June 30, 2023:

Active employees	158
Inactive employees receiving benefit payments	109
Inactive employees entitled to but not yet receiving benefit payments	76
Total	343

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2023, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.86% discount rate and a 2.30% general inflation assumption. The healthcare cost trend rate minimum was assumed to annually increase by 2.75%. The valuation includes implied subsidy as required by Actuarial Standards of Practice No. 6. The UAAL is amortized as a level percentage of projected payrolls over 14 years on a closed basis commencing in 2014.

Actuarial Assumption	June 30, 2023 Measurement Date
Actuarial Valuation Date	June 30, 2024
20-Year Municipal Bond Rate	3.97% at June 30, 2024 (Bond Buyer 20 Index)
Discount Rate	3.86% at June 30, 2023 (Bond Buyer 20 Index)
General Inflation	3.97% at June 30, 2024 (Bond Buyer 20 Index)
Aggregate Payroll Increase	3.86% at June 30, 2023 (Bond Buyer 20 Index)
Mortality, Retirement, Disability, Termination	2.30% per annum
Mortality Improvement	2.80% per annum
	Same as CalPERS
	Pre-Retirement and Post-Retirement mortality rates include generational mortality improvement at 80% of the MP 2020 table published by the Society of Actuaries.

Change of Assumption - For the measurement date of June 30, 2024, the discount rate increased from 3.89% to 3.97%.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance as of June 30, 2023	\$ 8,781,806
Changes Recognized for the Measurement Period:	
Service cost	435,107
Interest on the total OPEB liability	346,665
Differences between expected and actual experience	(6,791)
Changes of assumptions	(104,809)
Benefit Payments	(196,075)
Implicit Rate Subsidy Fulfilled	(275,842)
Net changes	198,255
Balance as of June 30, 2024	\$ 8,980,061
Current portion	\$ 435,107

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rates:

Total OPEB Liability/(Asset)		
Discount Rate -1% (2.97%)	Discount Rate (3.97%)	Discount Rate +1% (4.97%)
\$ 10,008,298	\$ 8,980,061	\$ 8,108,714

The following presents the total OPEB liability, as well as what the total 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:

Total OPEB Liability/(Asset)		
1% Decrease Healthcare Cost Trend Rates	Healthcare Cost Trend Rates	1% Increase
\$ 8,575,341	\$ 8,980,061	\$ 9,456,424

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$13,290. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ -	\$ (1,256,511)
Changes of assumptions	611,671	(1,738,116)
	<u>\$ 611,671</u>	<u>\$ (2,994,627)</u>

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
2025	\$ (768,475)
2026	(407,622)
2027	(519,435)
2028	(419,579)
2029	(140,866)
Thereafter	(126,979)
Total	<u>\$ (2,382,956)</u>

Additional information regarding the OPEB can be found in the Required Supplementary Information section.

11. LEASES

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/District recognizes lease receivable or liabilities with an initial, individual value of \$300,000 or more, based on the future lease payments remaining at the start of the lease.

Lessor

The City/District is a lessor for noncancellable leases of buildings and facilities. The City/District 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/District 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.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. LEASES, Continued

Key estimates and judgments include how the City/District 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/District uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City/District 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.

Lessee

The City/District is a lessee for miscellaneous leases. If the lease is over the threshold, the City/District will recognize 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, City/District 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 City/District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (#) lease payments as follows:

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

The City/District 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.

As of June 30, 2024, the City/District has no leases over the threshold subject to GASB 87 as a lessee.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. LEASES, Continued

Leases Receivable (City/District as Lessor)

The provisions of GASB Statement 87 were implemented during fiscal year 2022. As part of the implementation of this Statement, the City/District has accounted for certain lessor transactions, which required the restatement and increase of General Fund leases receivable and deferred inflows in the amounts of \$1,369,651 as of July 1, 2021. As a result, the net effect on governmental activities and business-type activities beginning net position were zero.

The terms and balances related to leases receivable and deferred inflows of resources recorded in the General Fund as of June 30, 2024 were:

Lessee	Property Description	Original Lease Date	Lease Ending Date	Term Duration (Years)	Remaining Lease Term (years)	Extension Years
VB Golf	2401 East 3rd Avenue, Foster City CA 94404	7/1/1996	12/31/2026	30.5	2.5	12
Vintage Park Associates	The property comprises of five parcels within the Vintage Park neighborhood in the City premises	3/1/1994	12/1/2044	51	21	-

Lessee	Expiration Date Including Options	Interest Revenue	Lease Revenue	Monthly payment as of 6/30/2024	Lease Receivable balance at 6/30/2024	Deferred Inflow of Resources at 6/30/2024
VB Golf	10/31/2042	\$ 25,994	\$ 387,323	\$ 29,167	\$ 1,043,144	\$ 976,763
Vintage Park Associates	12/1/2044	9,812	16,139	1,779	328,606	314,701
		<u>\$ 35,806</u>	<u>\$ 403,462</u>	<u>\$ 30,946</u>	<u>\$ 1,371,750</u>	<u>\$ 1,291,464</u>

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

For the Year Ended June 30	Principal	Interest	Total
2025	\$ 391,942	\$ 29,406	\$ 421,348
2026	451,780	19,568	471,348
2027	236,118	10,229	246,347
2028	12,968	8,380	21,348
2029	13,353	7,995	21,348
2030 - 2034	72,956	33,784	106,740
2035 - 2049	94,215	21,705	115,920
2040 - 2044	98,418	6,708	105,126
Totals	<u>\$ 1,371,750</u>	<u>\$ 137,775</u>	<u>\$ 1,509,525</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. INVESTMENT IN JOINT VENTURE AND MEMBERSHIP IN INSURANCE POOLS

The City/District participates in a joint venture and insurance pools established under the State of California Joint Powers Act, as follows:

A. Wastewater Treatment Facility

The City/District executed a Joint Exercise of Powers Agreement in June 1974 (amended February 1976) with the City of San Mateo for the joint construction of a wastewater treatment facility (Facility). The project was funded through various sources: federal funding was 75%, state funding was 12.5%, and the City/District and the City of San Mateo jointly funded the remaining 12.5%. The project was completed during the year ended June 30, 1987, at an approximate total cost to the City/District of \$826,000. Part of the City/District's share of the costs has been financed through the sale of \$760,000 in Wastewater Revenue Bonds of 1979. The remaining construction costs were financed through the use of existing funds.

A new Joint Powers Agreement (JPA) dated July 17, 1989 and amended January 17, 1990, was executed by the City/District and City of San Mateo to rescind the agreement of June 1974 (amended February 1976). The new JPA provides for the expansion of the wastewater treatment facility with all costs shared between the parties as follows: the City/District, 25% and the City of San Mateo, 75%. The City of San Mateo is the lead agency and bills the City/District monthly for its share of the expansion project costs and quarterly for its operating and maintenance costs. The City of San Mateo's audited financial statements may be obtained at 330 W 20th Avenue, San Mateo, CA 94403. Part of the City/District's share of costs has been financed through the sale of \$1,329,000 in Wastewater Revenue Bonds in 1993. The City of San Mateo issued \$23.5 million in long-term revenue bonds to finance its share of expansion costs. The City/District is not obligated in any manner to repay the San Mateo revenue bonds. The wastewater treatment plant facility project was completed in fiscal year 2011.

For the year ended June 30, 2024, the District's share of the operating and maintenance costs was \$2,164,868 which is included in the Wastewater Enterprise Fund's accompanying financial statements as contractual services.

On February 29, 2016, the City of San Mateo and Estero Municipal Improvement District executed a Joint Exercise of Powers Agreement to form the San Mateo-Foster City Public Financing Authority (PFA) to provide assistance with the financing of the replacement of the jointly owned Wastewater Treatment Plant. This Clean Water Program/Wastewater Treatment Plant Master Plan Improvements project is estimated to cost \$1.06 billion over a 10-year period with the District's share estimated to be \$154 million.

On June 4, 2019, the PFA issued the 2019 Series Wastewater Revenue Bonds in the amount of \$270,000,000. Of the \$270,000,000, the District's allocated share of the bond is \$33,820,000 (District Bonds).

On July 1, 2021, the PFA issued the 2021 Series Wastewater Revenue Bonds in the amount of \$270,000,000. Of the \$348,599,000, the District's allocated share of the bond is \$62,760,000 (District Bonds).

Under the terms of the financing agreement, the District Bonds are secured by a pledge of the District's Wastewater Enterprise Fund Net Revenue as defined under the financing agreement.

Financial statements of the PFA may be obtained from City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. INVESTMENT IN JOINT VENTURE AND MEMBERSHIP IN INSURANCE POOLS, Continued

A. Wastewater Treatment Facility, Continued

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

Total Assets	\$	767.37
Total Liabilities		(821.07)
Total Deferred Inflows of Resources		(21.17)
Net Position	\$	<u>(74.87)</u>

B. Investment in Equity Interest for Fire Joint Power Authority

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

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

As of June 30, 2024, the City recorded an investment in JPA equity of \$4,198,883 based on the audited financial statements of the JPA for fiscal year 2024. Every year the City adjusts the investment based on the City's proportion of financial activity at SMC Fire (20%).

Audited financial statements for the JPA are available from City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403.

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

Total Assets	\$	21.65
Deferred Outflows	\$	10.76
Total Liabilities	\$	(8.28)
Deferred Inflows	\$	(3.14)
Net Position	\$	<u>20.99</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. INVESTMENT IN JOINT VENTURE AND MEMBERSHIP IN INSURANCE POOLS, Continued

C. *South Bayside Waste Management Authority (SBWMA)*

The South Bayside Waste Management Authority (the Authority) was formed by a joint powers agreement on October 13, 1999. Members of the Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The members are required by AB 939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The Authority's purpose is to assist its members in meeting these requirements.

Financial statements may be obtained by mailing a request to the City of Redwood City, 1017 Middle field Road, Redwood City, CA 94063.

D. *The Cities Group*

The City/District, along with five other governments located within San Mateo County, is a member of The Cities Group, a public entity risk pool and a provider of workers' compensation insurance coverage, claims management, risk management services and legal defense to each participating member. The Cities Group is governed by a Board of Directors, which is comprised of officials appointed by each participating member. Premiums paid to the Cities Group may be modified by Board decision according to the loss experience of each member. This loss experience mechanism will operate to ensure that each member returns over a period of time to the Cities Group the funds paid out on its behalf as paid losses. In the opinion of City/District management, premiums paid represent the best available estimate of the ultimate cost of the City/District's participation in The Cities Group and, accordingly, the accompanying basic financial statements of the City/District includes no provisions for possible refunds or additional assessments. For the year ended June 30, 2024, the City/District paid premiums to The Cities Group of \$1,657,224 which are included in the General Fund as insurance expenditures.

E. *PLAN JPA*

The City/District, along with 28 other Bay Area governments, is a member of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers insurance authority consists of 28 member cities in the San Francisco Bay Area, a public-entity risk pool. PLAN JPA provides liability insurance coverage, claims management, risk management services and legal defense to its participating members. PLAN JPA is governed by a Board of Directors, which is comprised of officials appointed by each participating member. Premiums paid to PLAN JPA are subject to possible refund based on the results of actuarial studies and approval by PLAN JPA's Board of Directors. In the option of the City/District management, premiums made represent the best available estimate of the ultimate cost of the City/District's participation in PLAN JPA and, accordingly, the accompanying basic financial statements of the City/District include no provisions for possible refunds or additional assessments. Actual refunds and assessments arising from retrospective premium adjustments relating to prior loss years will be recorded in the City/District's basic financial statements in the year they become known. For the year ended June 30, 2024, the City/District's paid premiums of \$1,308,384 to PLAN JPA.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. INVESTMENT IN JOINT VENTURE AND MEMBERSHIP IN INSURANCE POOLS, Continued

E. PLAN JPA, Continued

Prior to January 2018 the City participated in ABAG Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to PLAN JPA.

Audited financial information may be obtained from PLAN JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

13. RISK MANAGEMENT

The City/District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City/District is self-insured for general liability claims up to \$100,000. General liability claims in excess of \$100,000 are insured with PLAN JPA, a joint powers agency for the funding and pooling of insurance coverage. PLAN JPA is a self-insured public-entity risk pool. Workers' compensation claims are insured with The Cities Group, a joint powers agency for the funding and pooling of insurance coverage. The Cities Group purchases third-party commercial insurance to cover for the claims at the limit \$2,485,000 with an excess layer of \$10,000,000 per incident by reinsurance contracts for all employees. Charges to the General Fund for general liability claims are determined from an analysis of self-insured claim costs. Such charges are recorded as expenditures in the General Fund and revenues in the Self-Insurance Internal Service Fund. The City/District considers incurred but not reported claims in determining if an accrual for loss contingencies is required for claims.

Settled claims have net exceeded the City/District's excess coverage in any of the past three fiscal years. Claims expenses and liabilities are reported for self-insured deductibles when it is probably that a loss has occurred, the amount of that loss can be reasonably estimated and includes incremental claim expenses. Allocated and unallocated claims adjustment expenses are included in the claims liability balance. These losses include an estimate of claims that have been incurred but not reported. June 30, 2024, the liability for general liability self-insurance claims was \$100,000. The liability is the City/District's best estimate based on available information.

Changes in the reported liability resulted from the following:

Liability at June 30, 2022	\$	100,000
Current year claim deductibles and changes in estimates		174,594
Net payments		<u>(134,594)</u>
Liability at June 30, 2023		140,000
Current year claim deductibles and changes in estimates		121,176
Net payments		<u>(111,176)</u>
Liability at June 30, 2024	\$	<u>150,000</u>

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. COMMITMENTS AND CONTINGENCIES

The City/District is a defendant in lawsuits arising in the normal course of business. City/District management is of the opinion that the potential claims against the City/District resulting from such litigation, not covered by insurance, and would not materially affect the basic financial statements of the City/District.

Marlin Cove Disposition and the Development Agreement

On November 15, 1999, the Former Successor Agency of Foster City (the Agency) approved a Disposition and Development Agreement (DDA) with a developer. On June 4, 2001, the DDA was amended. The DDA includes the entire Marlin Cove Project Area site and consists of a mixed-use development consisting of both residential and commercial development. The DDA as amended calls for significant Agency participations as summarized below:

(i) Agency Grant - The Agency agreed to grant to the developer \$5,900,000 for off-site public improvements, hazardous materials remediation, fees due the City/District in connection with the development of the site, relocation expenses, and other demolition and improvement expenses. During fiscal year 2000, the Agency paid the developer \$4,900,000. The balance of the Agency Grant will be due to the developer, provided the developer has provided the Agency by April 15 of each year, written evidence documenting payment of all property taxes and assessments due on the site. The Agency Grant was paid in full as of June 30, 2014.

(ii) Utility Subsidy - The Agency pledged to the developer a utility allowance subsidy in the amount of \$36,000 annually for affordable housing units. The Utility Subsidy will be paid annually through the life of the Marlin Cove project (estimated to be 2029) following the issuance of the Final Certificate of Completion for the residential portion of the site and will be increased annually by 2% to adjust for inflation. The balance of the amount will be due to the developer, provided the developer has provided the Agency by April 15 of each year written evidence documenting payment of all property taxes and assessments due on the site. For the fiscal year ended June 30, 2024, the Successor Agency paid the developer the Utility Subsidy in the amount of \$55,654.

(iii) Tax Increment Subsidy - The Agency agreed to provide rental subsidies pursuant to the California Health and Safety Code to ensure the affordability of at least 30% of the units in the residential portion of the site to persons and households of very low, low, and moderate income. The Agency pledged to the developer annually 30% of the net tax increment generated from the site (Tax Increment Subsidy). The Tax Increment Subsidy will be paid to the developer on an annual basis on May 1 of each year in an amount equal to the difference between the fair market rents of the affordable units and the affordable rent but not more than the Tax Increment Subsidy. For the fiscal year ended June 30, 2024, the Successor Agency paid the developer a tax increment subsidy in the amount of \$205,757.

If, in any year commencing more than one year after the execution of the DDA, the sum of the Tax Increment Subsidy, the Utility Subsidy and the Amortized portion of the Agency Grant exceeds the net tax increment, the Tax Increment Subsidy will be reduced for that year by such that the total amount paid to the developer does not exceed the net tax increment for the applicable year.

The above DDA obligations were administered by the Successor Agency effective February 1, 2012 as the Agency ceased to exist.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. COMMITMENTS AND CONTINGENCIES, Continued

Capital Project Commitments

The City/District has commitments for the following significant capital, infrastructure and other projects and programs:

Project	Project Authorization	Expended Through June 30, 2024	Committed
Median Modifications-Foster City Blvd At Chess Drive-Mp#3 (2013-2014)	\$ 919,169	\$ 40,116	\$ 879,053
Road Widening-Foster City Blvd At Chess Drive-Mp#4, #7& #8 (2013-2014)	2,690,000	217,052	2,472,948
Wastewater Treatment Plant Master Plan Improvements (2015-2016)	154,294,219	139,863,479	14,430,740
Water Tank Improvements Project (2016-2017 & 2019-2020)	5,800,000	2,032,269	3,767,731
Library Exterior Improvements And Re-Landscaping (2017-2018)	120,000	-	120,000
Recreation Center Rebuild Project (2017-2018)	55,432,578	4,434,742	50,997,836
Parks Master Plan (2018-2019)	579,803	117,859	461,944
Hvac Improvements In City Buildings (2018-2019)	2,040,000	-	2,040,000
Seismic Improvements At Lagoon Pump Station (2019-2020)	550,000	73,580	476,420
Lift Station 59 Effluent Line Improvements (2020-2021)	1,800,000	127,761	1,672,239
Sanitary Sewer System Improvements (2020-2021)	900,000	56,362	843,638
Traffic Signal System Upgrades (2020-2021)	625,000	-	625,000
Corporation Yard Workshops Exterior Paint (2020-2021)	200,000	-	200,000
Fuel Systems Improvements (2021-2022)	3,077,946	213,836	2,864,110
Water Transmission And Distribution Systems Improvements (2021-2022)	1,250,000	33,665	1,216,335
Emergency Generator Replacements (2021-2022)	2,300,000	191,672	2,108,328
Install Rear Security Gates (2022-2023)	500,000	-	500,000
Renovate Elevators In City Buildings (2022-2023)	800,000	-	800,000
Shell Bridge Sanitary Sewer Force Main Rehabilitation (2022-2023)	500,000	40,877	459,124
Police Station Kitchen Remodel (2023-2024)	130,000	-	130,000
Edgewater Park Softball And Soccer Synthetic Resurfacing (2023-2024)	900,000	42,792	857,208
Light Installation At Boothbay Park (2023-2024)	250,000	-	250,000
Sea Cloud Maintenance Shed (2023-2024)	300,000	-	300,000
Substructure And Superstructure Bridge Improvements (2023-2024)	400,000	-	400,000
Street Rehabilitation And Park Pathway Restoration (2023-2024)	2,478,247	135,525	2,342,722
Add Third Lagoon Pump And Related Infrastructure (2023-2024)	2,000,000	21,760	1,978,241
Lagoon Intake Structure And Pump Station Building Rehabilitation (2023-2024)	200,000	21,760	178,241
Sanitary Sewer Lift Station Improvements - Phase 6 (2023-2024)	600,000	-	600,000
	<u>241,636,962</u>	<u>147,665,106</u>	<u>93,971,856</u>
Projects completed but not closed			
Levee Protection Planning and Improvements Project (2015-2016)	94,900,137	92,781,558	2,118,579
Park Pathway Restoration (2021-2022)	300,000	300,000	-
Street Rehabilitation (2021-2022)	3,200,000	1,547,846	1,652,154
	<u>\$ 340,037,099</u>	<u>\$ 242,294,510</u>	<u>\$ 97,742,589</u>

The City/District participates in Federal, State, and local grant programs. These programs are subject to audits by the granting agencies. City/District management does not expect any material adverse effect on the financial condition of the City/District as a result of any potential grant audits.

City of Foster City and Estero Municipal Improvement District
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. COMMITMENTS AND CONTINGENCIES, Continued

Lawsuit

The City was sued by Foster City Marina, LLC in August 2022, who seeks \$50 million from the City and its contractors relating to the design and construction of the City's Levee improvement project. The City denies any liability and has tendered its claims to the City's contractor and its insurer to defend and indemnify the City. The tender was rejected. The city and one of its contractors - Shimmick Construction have also filed cross-complaints for indemnity and contribution against each other.

The City is vigorously defending the case. On September 30, 2024, the trial court granted in part and denied in part the City's Motion for Summary Adjudication. There, the trial court held that the City was entitled to summary adjudication on its declaratory relief claim to establish an easement on earthen levee that was used to construct the sea wall. However, the trial court denied the City's motion for summary adjudication on the City's quiet title claim and Plaintiff's third cause of action for interference with access. The City intends to obtain judgment on its quiet title claim by (1) filing an amended cross-complaint; and (2) moving for judgment on the pleadings or summary adjudication. The City also intends to request a bench trial on the question whether the Property has abutter's rights of access. We also expect Plaintiff to seek to mediate the case in the near future.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance June 30, 2023	\$ 55,666,217	\$ 47,024,318	\$ 62,959,583	\$ 15,935,265
Resources (inflows):				
Property taxes:				
Secured	34,689,150	34,689,150	37,536,232	2,847,082
Unsecured	1,315,000	1,315,000	1,381,728	66,728
Motor vehicle in lieu	4,387,980	4,387,980	3,780,100	(607,880)
Subtotal	40,392,130	40,392,130	42,698,060	2,305,930
Other taxes:				
Sales and use and sales tax in lieu	3,927,700	3,927,700	3,698,812	(228,888)
Transient occupancy	3,559,800	3,559,800	4,284,940	725,140
Franchise	1,266,200	1,266,200	1,367,718	101,518
Real property transfer	311,000	311,000	237,716	(73,284)
Subtotal	9,064,700	9,064,700	9,589,186	524,486
Licenses and permits:				
Business licenses	1,615,500	1,615,500	1,928,243	312,743
Permits	1,266,675	1,266,675	1,978,175	711,500
Subtotal	2,882,175	2,882,175	3,906,418	1,024,243
Intergovernmental:				
Homeowner property tax relief	98,000	98,000	90,172	(7,828)
Reimbursements and grants	42,000	42,000	46,589	4,589
Subtotal	140,000	140,000	136,761	(3,239)
Charges for current services:				
Recreation and leisure	1,998,469	1,998,469	2,300,724	302,255
Subtotal	1,998,469	1,998,469	2,300,724	302,255
Fines and forfeitures:				
Traffic fines and court fines	11,200	11,200	25,455	14,255
False alarm fines	13,700	13,700	5,808	(7,892)
Subtotal	24,900	24,900	31,263	6,363
Investment income and rentals:				
Investment income	1,623,200	1,623,200	3,506,751	1,883,551
Rent	1,425,828	1,425,828	1,703,524	277,696
Subtotal	3,049,028	3,049,028	5,210,275	2,161,247
Other revenues	-	-	475,967	475,967
Total revenues	57,551,402	57,551,402	64,348,654	6,797,252
Transfers in	-	-	71,948	71,948
Amounts available for appropriation	57,551,402	57,551,402	64,420,602	6,869,200

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Charges to appropriations (outflows):				
General government:				
Council/Board	450,910	450,910	417,351	33,559
City/District Manager	2,556,913	2,723,725	1,999,076	724,649
City Clerk	1,246,975	1,257,736	1,045,916	211,820
City/District Attorney	656,365	656,365	399,024	257,341
Human Resources	1,284,016	1,285,855	949,054	336,801
Financial Services	2,157,612	2,211,611	1,952,245	259,366
Subtotal	8,352,791	8,586,202	6,762,666	1,823,536
Public safety - Police	17,886,289	18,048,546	16,198,774	(1,849,772)
Public safety - Fire	11,686,922	11,818,947	11,798,445	(20,502)
Public works	4,604,965	4,804,845	3,554,576	(1,250,269)
Community development	4,589,661	4,871,051	4,116,953	(754,098)
Parks and recreation	11,550,604	11,919,861	10,660,410	(1,259,451)
Subtotal	50,318,441	51,463,250	46,329,158	5,134,092
Total expenditures	58,671,232	60,049,452	53,091,824	6,957,628
Transfers out	-	-	6,158,867	(6,158,867)
Total charges to appropriations	58,671,232	60,049,452	59,250,691	798,761
Fund balance, June 30, 2024	\$ 54,546,387	\$ 44,526,268	\$ 68,129,494	\$ 23,603,226

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Low and Moderate Income Housing Fund Assets
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 118,700	\$ 118,700	\$ 190,039	\$ 71,339
Other	15,000	15,000	358	(14,642)
Total revenues	133,700	133,700	190,397	56,697
EXPENDITURES:				
Current:				
Community development	146,620	278,080	133,801	144,279
Total expenditures	146,620	278,080	133,801	144,279
REVENUES OVER (UNDER)				
EXPENDITURES	(12,920)	(144,380)	56,596	200,976
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	63,564	63,564
Total other financing sources (uses)	-	-	63,564	63,564
Net change in fund balances	\$ (12,920)	\$ (144,380)	120,160	\$ 264,540
FUND BALANCES:				
Beginning of year			2,441,356	
End of year			<u>\$ 2,561,516</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Foster City Affordable Housing
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 22,182	\$ 22,182
Investment and rental income	8,900	8,900	112,515	103,615
Total revenues	8,900	8,900	134,697	125,797
EXPENDITURES:				
Current:				
Community development	-	235,000	43,717	191,283
Total expenditures	-	235,000	43,717	191,283
Net change in fund balances	\$ 8,900	\$ (226,100)	90,980	\$ 317,080
FUND BALANCES:				
Beginning of year			4,642,671	
End of year			<u>\$ 4,733,651</u>	

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
TOTAL PENSION LIABILITY				
Service cost	\$ 1,711,380	\$ 1,653,700	\$ 1,748,222	\$ 2,054,671
Interest on total pension liability	6,664,608	6,975,642	7,349,248	7,592,791
Changes in benefits	-	-	-	-
Changes in assumptions	-	(1,685,658)	-	6,213,113
Differences between expected and actual experience	-	(332,183)	679,084	(524,787)
Benefit payments, including refunds of employee contributions	(3,758,521)	(4,253,245)	(4,690,682)	(4,938,810)
Net change in the total pension liability	4,617,467	2,358,256	5,085,872	10,396,978
Total pension liability - beginning	89,885,017	94,502,484	96,860,740	101,946,612
Total pension liability - ending (a)	\$ 94,502,484	\$ 96,860,740	\$ 101,946,612	\$ 112,343,590
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$1,820,484	\$2,086,023	\$2,471,456	\$2,641,720
Contributions - employee	915,734	775,427	834,277	876,497
Net investment income	10,775,194	1,630,597	410,582	8,063,603
Benefit payments	(3,758,521)	(4,253,245)	(4,690,682)	(4,938,810)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative expense	-	(80,893)	(43,805)	(104,618)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net change in plan fiduciary net position	9,752,891	157,909	(1,018,172)	6,538,392
Plan fiduciary net position - beginning	61,966,089	71,718,980	71,876,889	70,858,717
Plan fiduciary net position - ending (b)	\$ 71,718,980	\$ 71,876,889	\$ 70,858,717	\$ 77,397,109
Net pension liability - ending (a) - (b)	\$ 22,783,504	\$ 24,983,851	\$ 31,087,895	\$ 34,946,481
Plan fiduciary net position as a percentage of the total pension liability	75.89%	74.21%	69.51%	68.89%
Covered payroll	\$9,595,746	\$9,721,261	\$10,547,034	\$11,417,868
Net pension liability as a percentage of covered payroll	237.43%	257.00%	294.75%	306.07%

Notes to the Schedule:

¹All Tiers of the Miscellaneous plan were combined on GASB 68 report by CalPERS.

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions in December 2018. In 2017 the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, 2018, 2019, 2020 and 2021 there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
\$	2,119,859	\$ 2,181,880	\$ 2,183,734	\$ 2,148,578	\$ 2,347,769	\$ 2,344,180
	7,831,249	8,207,764	8,686,727	-	9,283,071	9,710,745
	-	-	-	9,092,791	-	157,544
	(784,284)	-	-	-	4,290,983	-
	(344,105)	894,495	2,024,793	977,950	(1,416,522)	1,842,954
	(5,494,351)	(5,726,960)	(5,706,217)	(6,597,018)	(7,103,116)	(7,759,645)
	3,328,368	5,557,179	7,189,037	5,622,301	7,402,185	6,295,778
	112,343,590	115,671,958	121,229,137	128,418,174	134,040,475	141,442,660
\$	115,671,958	\$ 121,229,137	\$ 128,418,174	\$ 134,040,475	\$ 141,442,660	\$ 147,738,438
	\$3,099,413	\$3,537,734	\$4,031,414	\$8,488,123	\$4,665,333	\$5,135,888
	909,578	930,863	938,355	909,044	899,564	1,013,709
	6,586,940	5,480,856	4,284,251	20,362,415	(8,527,494)	6,386,414
	(5,494,351)	(5,726,960)	(5,706,217)	(6,597,018)	(7,103,116)	(7,759,645)
	(191)	(315,016)	-	-	25,805	-
	(120,606)	(58,380)	(121,236)	(89,330)	(70,079)	(75,291)
	(229,033)	-	-	-	-	-
	4,751,750	3,849,097	3,426,567	23,073,234	(10,109,987)	4,701,075
	77,397,109	82,148,859	85,997,956	89,424,523	112,497,757	102,387,770
\$	82,148,859	\$ 85,997,956	\$ 89,424,523	\$ 112,497,757	\$ 102,387,770	\$ 107,088,845
\$	33,523,099	\$ 35,231,181	\$ 38,993,651	\$ 21,542,718	\$ 39,054,890	\$ 40,649,593
	71.02%	70.94%	69.64%	83.93%	72.39%	72.49%
	\$12,029,880	\$12,358,999	\$12,505,794	\$12,296,821	\$ 12,328,792	\$ 13,548,517
	278.67%	285.07%	311.80%	175.19%	316.78%	300.03%

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Safety Plan

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Schedule of the Proportionate Share of the Net Pension Liability and Related Ratios - Last Ten Years

Miscellaneous

Measurement period ended June 30,	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's proportion of the net pension liability	0.44475%	0.45755%	0.73601%	0.72156%
Plan's proportionate share of the net pension liability	\$ 27,674,101	\$ 31,406,035	\$ 38,119,564	\$ 43,114,785
Plan's covered payroll	\$ 7,910,256	\$ 7,974,455	\$ 8,149,496	\$ 8,456,759
Plan's proportionate share of the net pension liability as percentage of its covered payroll	349.85%	393.83%	467.75%	509.83%
Fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%

Assumption Change: The CalPERS discount rate was increased from 7.5% to 7.65 in fiscal year 2016, and then decreased from 7.65 to 7.15 in fiscal year 2018. The Calpers mortality assumption were also adjusted in fiscal year 2019

<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
0.74362%	0.65115%	0.66254%	0.72725%	0.40479%	0.41912%
\$ 43,632,371	\$ 40,648,037	\$ 44,140,957	\$ 25,522,590	\$ 49,387,563	\$ 52,286,631
\$ 8,829,101	\$ 7,369,584	\$ 5,257,579	\$ 5,318,114	\$ 5,449,463	\$ 5,283,902
494.19%	551.56%	839.57%	479.92%	906.28%	989.55%
75.26%	75.26%	75.10%	82.66%	76.68%	76.21%

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions - Last 10 Years

Fiscal Year Ended	2015	2016	2017	2018
Actuarially determined contribution	\$ 2,085,988	\$ 2,471,831	\$ 2,639,360	\$ 3,096,377
Contributions in relation to actuarially determined contributions	\$ (2,085,988)	(2,471,831)	(2,639,360)	(3,096,377)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 9,721,261	\$ 10,547,034	\$ 11,417,868	\$ 12,029,880
Contributions as a percentage of covered payroll	21.46%	23.44%	23.12%	25.74%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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The actuarial methods and assumptions used to determine contributions were:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair Value of Assets
Inflation	2.50%
salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

2019	2020	2021	2022	2023	2024
\$ 3,548,365	\$ 4,053,672	\$ 8,510,508	\$ 4,690,944	\$ 5,163,358	\$ 5,445,603
<u>(3,548,365)</u>	<u>(4,053,672)</u>	<u>(8,510,508)</u>	<u>(4,690,944)</u>	<u>(5,163,358)</u>	<u>(5,445,603)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,358,999	\$ 12,505,794	\$ 12,296,821	\$ 12,328,792	\$ 13,548,517	\$ 12,582,822
28.71%	32.41%	69.21%	38.05%	38.11%	43.28%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Pension Plan Contributions - Last 10 Years

Safety

Fiscal Year Ended	2015	2016	2017	2018
Actuarially determined contribution	\$ 2,466,232	\$ 2,822,183	4,569,536	\$ 3,409,946
Contributions in relation to actuarially deemed contributions	(2,466,232)	(2,822,183)	(4,569,536)	(3,409,946)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,974,455	\$ 8,149,496	\$ 8,456,759	\$ 8,829,101
Contributions as a percentage of covered payroll	30.93%	34.63%	54.03%	38.62%

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

Methods and assumptions used to determine contribution rates:

Valuation date	6/30/2021
Actuarial cost method	Entry Age
Amortization method	Level of percentage of payroll
Asset valuation method	Market Value
Inflation	2.30%
Salary Increase	Depending on age, service, and type of employment
Investment rate of return	6.80%
Mortality Assumptions	Are based on mortality rates resulting from the most recent CalPERS Experience Study

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 3,574,289	\$ 3,769,133	\$ 7,563,848	\$ 4,394,334	\$ 4,686,318	\$ 4,798,851
<u>(7,055,629)</u>	<u>(3,769,133)</u>	<u>(7,563,848)</u>	<u>(4,394,334)</u>	<u>(4,686,318)</u>	<u>(4,798,851)</u>
<u>\$ (3,481,340)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,369,584	\$ 5,257,579	\$ 5,318,114	\$ 5,449,463	\$ 5,283,902	\$ 5,804,065
95.74%	71.69%	142.23%	80.64%	89%	83%

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Longevity Recognition Benefits Plan
Agent Multiple-Employer Defined Benefit Pension Plan
*Schedule of Changes in the Total Pension Liability and Related Ratios - Last 10 Years**

Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Total Pension Liability				
Service cost	\$ 109,000	\$ 89,000	\$ 54,416	\$ 27,073
Interest on total pension liability	116,000	134,000	140,452	102,446
Changes in benefits				
Changes of assumptions	(376,000)	(134,000)	282,626	283,853
Differences between expected and actual experience	-	-	(634,525)	5,929
Benefit payments, including refunds of employee contributions	(144,000)	(166,000)	(168,320)	(175,320)
Net change in the total pension liability	(295,000)	(77,000)	(325,351)	243,981
Total pension liability - beginning	4,031,000	3,736,000	3,659,000	3,333,649
Total pension liability - ending	<u>\$ 3,736,000</u>	<u>\$ 3,659,000</u>	<u>\$ 3,333,649</u>	<u>\$ 3,577,630</u>
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 7,937,000	\$ 6,773,000	\$ 4,102,624	\$ 4,215,446
Total pension liability as percentage of covered-employee payroll	47.07%	54.02%	81.26%	84.87%
Notes to Schedule:				
Benefit changes:	None			
Changes of assumptions:	None			

* Fiscal year 2017 was the 1st year of implementation.

<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 32,921	\$ 32,429	\$ 21,424	\$ 17,274
86,231	74,588	113,561	118,630
251,401	(718,876)	132,914	(34,448)
177,222	814	(71,758)	4,081
(181,865)	(182,378)	(188,033)	(204,343)
365,910	(793,423)	8,108	(98,806)
3,577,630	3,943,540	3,150,117	3,158,225
<u>\$ 3,943,540</u>	<u>\$ 3,150,117</u>	<u>\$ 3,158,225</u>	<u>\$ 3,059,419</u>
N/A	N/A	N/A	N/A
\$ 2,640,807	\$ 2,584,600	\$ 2,310,330	\$ 2,158,339
149.33%	121.88%	136.70%	141.75%

City of Foster City and Estero Municipal Improvement District
Required Supplementary Information
For the year ended June 30, 2024

Other Post Employment Benefits Plan

*Schedule of Changes in the Total OPEB Liability and Related Ratios - Last 10 Years**

Measurement Date	6/30/2018	6/30/2019	6/30/2020
Total OPEB Liability			
Service cost	\$ 575,000	\$ 646,076	\$ 539,303
Interest	432,000	473,515	321,329
Differences between expected and actual experience	-	(1,981,229)	(13,845)
Changes of assumptions	(519,000)	(544,791)	850,106
Benefit payments	(141,000)	(150,401)	(155,100)
Implicit Subsidy Credit	(184,000)	(294,668)	(312,348)
Net change in the total OPEB liability	163,000	(1,851,498)	1,229,445
Total OPEB liability - beginning	11,649,000	11,812,000	9,960,502
Total OPEB liability - ending	<u>\$ 11,812,000</u>	<u>\$ 9,960,502</u>	<u>\$ 11,189,947</u>
Covered-employee payroll	\$ 23,289,000	\$ 18,820,890	\$ 19,338,464
Net OPEB liability as a percentage of covered-employee payroll	50.72%	52.92%	57.86%

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the 1st year of implementation.

<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 632,514	\$ 655,321	\$ 474,791	\$ 435,107
283,575	221,344	355,931	346,665
(1,405,505)	(1,567)	(500,285)	(6,791)
877,461	(2,135,304)	(486,847)	(104,809)
(162,313)	(174,974)	(187,840)	(196,075)
<u>(333,722)</u>	<u>(242,899)</u>	<u>(277,822)</u>	<u>(275,842)</u>
(107,990)	(1,678,079)	(622,072)	198,255
<u>11,189,947</u>	<u>11,081,957</u>	<u>9,403,878</u>	<u>8,781,806</u>
<u>\$ 11,081,957</u>	<u>\$ 9,403,878</u>	<u>\$ 8,781,806</u>	<u>\$ 8,980,061</u>
\$ 17,214,320	\$ 17,687,714	\$ 19,720,120	\$ 20,272,283
64.38%	53.17%	44.53%	44.30%

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SUPPLEMENTARY INFORMATION

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City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
City Capital Projects
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 2,254,800	\$ 2,254,800	\$ 4,543,290	\$ 2,288,490
Other	15,250	15,250	223,795	208,545
Total revenues	2,270,050	2,270,050	4,767,085	2,497,035
EXPENDITURES:				
Current:				
Parks and recreation	1,200,000	2,702,814	1,278,386	1,424,428
Capital outlay	4,880,000	66,795,752	5,104,849	61,690,903
Total expenditures	6,080,000	69,498,566	6,383,235	63,115,331
REVENUES OVER (UNDER)				
EXPENDITURES	(3,809,950)	(67,228,516)	(1,616,150)	65,612,366
OTHER FINANCING SOURCES (USES):				
Transfers in	6,095,303	6,095,303	6,095,303	-
Total other financing sources (uses)	6,095,303	6,095,303	6,095,303	-
Net change in fund balances	\$ 2,285,353	\$ (61,133,213)	4,479,153	\$ 65,612,366
FUND BALANCES:				
Beginning of year			77,484,134	
End of year			<u>\$ 81,963,287</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Asset Preservation
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 532,300	\$ 532,300	\$ 589,617	\$ 57,317
Total revenues	532,300	532,300	589,617	57,317
EXPENDITURES:				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	532,300	532,300	589,617	57,317
OTHER FINANCING SOURCES (USES):				
Transfers in	557,446	557,446	557,446	-
Proceeds from sale of property	708,255	708,255	708,255	-
Total other financing sources (uses)	1,265,701	1,265,701	1,265,701	-
Net change in fund balances	\$ 1,798,001	\$ 1,798,001	1,855,318	\$ 57,317
FUND BALANCES:				
Beginning of year			2,880,118	
End of year			<u>\$ 4,735,436</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Levee Capital Project Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 5,200	\$ 5,200	\$ 255,932	\$ 250,732
Total revenues	5,200	5,200	255,932	250,732
EXPENDITURES:				
Capital outlay	-	9,438,912	7,320,333	2,118,579
Debt service:				
Interest and other issue cost	-	-	99,863	(99,863)
Total expenditures	-	9,438,912	7,420,196	2,018,716
REVENUES OVER (UNDER)				
EXPENDITURES	5,200	(9,433,712)	(7,164,264)	2,269,448
OTHER FINANCING SOURCES (USES):				
Bonds issued	5,000,000	5,000,000	5,000,000	-
Total other financing sources (uses)	5,000,000	5,000,000	5,000,000	-
Net change in fund balances	\$ 5,005,200	\$ (4,433,712)	(2,164,264)	\$ 2,269,448
FUND BALANCES:				
Beginning of year			5,080,548	
End of year			<u>\$ 2,916,284</u>	

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**City of Foster and Estero Municipal Improvement District
Nonmajor Governmental Funds
Year Ended June 30, 2024**

Special Revenue Funds are used to account for revenues that are restricted by law or administrative action (committed) to expenditures for specified purposes. Non-Major Special Revenue Funds used by the City/District are listed below:

The *Traffic Safety Fund* accounts for the revenues received by the City as its share of fines generated from violations of the State Motor Vehicles Code and expended for traffic safety programs.

The *Measure A Fund* accounts for revenues generated by a special one-half cent sales tax that was approved by the voters of San Mateo County during 1988. These funds are restricted for engineering, construction and maintenance of City/District streets and transportation-related purposes.

The *Gas Tax Fund* accounts for the revenues apportioned to the City from State collected gasoline taxes and expended for engineering, construction, and maintenance of City streets.

The *Park-in-lieu Fund* accounts for revenues from construction projects for the acquisition, construction and improvement of parks and recreational facilities.

The *Measure M Fund* accounts for the revenues generated by a special ten dollar vehicle registration fee that was approved by the voters of San Mateo County in 2010. These funds are restricted for the maintenance of City/District streets, provide transportation options to reduce congestion, safe routes to schools, reduce water pollution from oil and gas runoff, etc.

The *SLESE/COPS Grant Fund* accounts for the State of California monies received to fund supplemental law enforcement services such as anti-gang and community crime prevention programs. Supplemental law enforcement services include costs for personnel, equipment and program operating expenses.

The *California Opportunities Fund* accounts for revenues received from other local government agencies who utilize the Foster City managed recruitment website for public sector employment opportunities.

The *Foster City Foundation Fund* accounts for revenues received from any person or organization for charitable contributions to Foster City for the benefit of the City and its residents. The donations shall be used according to the intent specified by the donor(s).

The *SBI Road Maintenance & Rehabilitation Fund* accounts for the revenues collected from the State and apportioned to the City for the increase in gasoline and diesel excise tax and a new vehicle registration tax. These funds are earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including road maintenance and rehabilitation, traffic control devices, street component projects, and drainage improvements.

The *General Plan Maintenance Fund* Accounts for fees collected from building permits for updating the City's General Plan, Zoning and Building Code.

The *Technology Maintenance Fund* accounts for fees collected from building permits for maintenance of the City's permitting system.

**City of Foster and Estero Municipal Improvement District
Nonmajor Governmental Funds
Year Ended June 30, 2024**

The *SB 1186 (Disability Access) Fund* accounts for fees collected from business license taxes. As required by the legislation, 10% of the fees collected are remitted to the Division of the State. The City retains 90% of the fees collected to provide training for building inspectors as Certified Access Specialists.

The *Strong Motion Instrument Program (SMIP) Fund* accounts for fees collected from building permits. This fee is remitted to the State of California to obtain vital earthquake data for the engineering and scientific communities through a statewide network of strong motion instruments.

The *CRV Grant Fund* accounts for the portion of the California Redemption Value (CRV) collected by beverage retailers at the point of sale and remitted to Cal Recycle that is not redeemed by individuals. Such funds are made available to Cities and Counties to assist in the implementation of beverage container recycling and litter abatement projects.

The *Curbside Recycling Fund* accounts for revenues received from the Department of Resources Recycling and Recovery (Cal Recycle) to support the implementation of activities related to beverage container recycling.

The *Green Building Fee Fund* accounts for fees collected from building permits. 90% of the fees collected are remitted to California Building Standard Commission for deposit in the Building Standards Administration Special Revolving Fund. The City retains 10% of the fees collected for related administrative costs and code enforcement education.

The *Measure W Fund* accounts for the revenues generated by a new half-cent sales tax that was approved by the voters of San Mateo County in 2018 which took effect on July 1, 2019. These funds are earmarked to improve transit and relieve traffic congestion including roads maintenance, promote alternative modes of transportation, implement advanced technologies on roadway system, and planning/implementing traffic operations and safety projects.

The *Commercial Linkage Fees Fund* accounts for commercial linkage fees to provide a mechanism for commercial development to pay fees to offset the impacts of the development on the need for affordable housing.

The *Tenant Relocation Assistance Fund* accounts for funding of programs to help minimize the impacts of expiring affordable housing covenants to the residents of Foster's Landing.

The *SB1383 Implementation Fund* accounts for the local assistance received by the City and the expenditures made in compliance with SB1383.

Beginning in 2022, SB1383 requires every jurisdiction to provide organic waste collection services to all residents and businesses in order to achieve the State's climate goals and the 75 percent organic waste diversion goal by 2025 and into the future.

The *Workforce Housing Fund* accounts for the ongoing revenues and expenditures related to 22 affordable multi-family units in a stand-alone surface parked building on approximately 0.6 acre land parcel.

Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on long-term debt. Non-Major Debt Service Funds used by the City/District are listed below:

The Levee Protection Planning & Improvements Fund accounts for the payment debt service on the City's general obligation bond debt used for financing up to \$90 million in levee improvement costs.

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City of Foster City and Estero Municipal Improvement District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Traffic Safety	Measure A	Gas Tax	Park-in-lieu
ASSETS				
Cash and investments	\$ -	\$ 5,143,432	\$ 453,351	\$ 3,036,715
Receivables, net of allowance:				
Intergovernmental	6,279	-	80,022	-
Taxes	-	69,183	-	-
Other	-	-	-	-
Prepays and deposits	-	-	-	-
Total assets	\$ 6,279	\$ 5,212,615	\$ 533,373	\$ 3,036,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Refundable deposits	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,279	5,212,615	533,373	3,036,715
Committed	-	-	-	-
Total fund balances	6,279	5,212,615	533,373	3,036,715
Total liabilities, deferred inflows of resources and fund balances	\$ 6,279	\$ 5,212,615	\$ 533,373	\$ 3,036,715

Special Revenue Funds						
Measure M	SLESF/COPS Grant	California Opportunities	Foster City Foundation	SB1 Road Maintenance & Rehabilitation Fund	General Plan Maintenance Fund	
\$ -	\$ -	\$ 658,648	\$ 368,884	\$ 1,642,029	\$ 2,306,547	
-	-	-	-	151,550	-	
-	-	-	-	-	-	
-	-	20,412	-	-	-	
-	-	-	20,103	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 679,060</u>	<u>\$ 388,987</u>	<u>\$ 1,793,579</u>	<u>\$ 2,306,547</u>	
\$ -	\$ -	\$ 16,905	\$ 750	\$ -	\$ 19,376	
-	-	5,446	-	-	-	
-	-	-	-	-	-	
-	-	22,351	750	-	19,376	
-	-	-	20,103	-	-	
-	-	-	368,134	1,793,579	-	
-	-	656,709	-	-	2,287,171	
-	-	656,709	388,237	1,793,579	2,287,171	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 679,060</u>	<u>\$ 388,987</u>	<u>\$ 1,793,579</u>	<u>\$ 2,306,547</u>	

City of Foster City and Estero Municipal Improvement District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Construction and Demolition Recycling Fund	Technology Maintenance Fund	SB 1186 (Disability Access) Fund	Strong Motion Intrument Program (SMIP) Fund
ASSETS				
Cash and investments	\$ 1,038,834	\$ 209,933	\$ 47,249	\$ 7,820
Receivables, net of allowance:				
Intergovernmental	-	-	-	-
Taxes	-	-	-	-
Other	-	-	-	-
Prepays and deposits	-	-	-	-
Total assets	\$ 1,038,834	\$ 209,933	\$ 47,249	\$ 7,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 9,359	\$ 6	\$ -	\$ 2,019
Accrued payroll	-	-	-	-
Refundable deposits	256,758	-	-	-
Total liabilities	266,117	6	-	2,019
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	47,249	5,801
Committed	772,717	209,927	-	-
Total fund balances	772,717	209,927	47,249	5,801
Total liabilities, deferred inflows of resources and fund balances	\$ 1,038,834	\$ 209,933	\$ 47,249	\$ 7,820

Special Revenue Funds						
CRV Grant Fund	Curbside Recycling Fund	Green Building Fee Fund	Measure W	Commercial Linkage Fee	Tenant Relocation Assistance	
\$ 11,115	\$ 278,024	\$ 7,674	\$ 1,401,336	\$ 5,466,281	\$ 244,933	
-	-	-	-	-	-	-
-	-	-	70,213	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 11,115</u>	<u>\$ 278,024</u>	<u>\$ 7,674</u>	<u>\$ 1,471,549</u>	<u>\$ 5,466,281</u>	<u>\$ 244,933</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	(891)	-	-
-	-	-	-	-	-	-
-	-	-	-	(891)	-	-
-	-	-	-	-	-	-
11,115	278,024	7,674	1,471,549	5,467,172	-	-
-	-	-	-	-	-	244,933
<u>11,115</u>	<u>278,024</u>	<u>7,674</u>	<u>1,471,549</u>	<u>5,467,172</u>	<u>244,933</u>	
<u>\$ 11,115</u>	<u>\$ 278,024</u>	<u>\$ 7,674</u>	<u>\$ 1,471,549</u>	<u>\$ 5,466,281</u>	<u>\$ 244,933</u>	

City of Foster City and Estero Municipal Improvement District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	SB 1383			
	Implementation Fund	Workforce Housing Fund	Parks Facilities Impact Fee	Public Safety Impact Fee
ASSETS				
Cash and investments	\$ 109,533	\$ 118,340	\$ 568,798	\$ 61,579
Receivables, net of allowance:				
Intergovernmental	-	-	-	-
Taxes	-	-	-	-
Other	-	6,712	-	-
Prepays and deposits	-	-	-	-
Total assets	\$ 109,533	\$ 125,052	\$ 568,798	\$ 61,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 26,179	\$ 26,464	\$ -	\$ -
Accrued payroll	-	692	-	-
Refundable deposits	-	51,900	-	-
Total liabilities	26,179	79,056	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	83,354	45,996	568,798	61,579
Committed	-	-	-	-
Total fund balances	83,354	45,996	568,798	61,579
Total liabilities, deferred inflows of resources and fund balances	\$ 109,533	\$ 125,052	\$ 568,798	\$ 61,579

Debt Services Fund		
Transportation Impact Fee	Levee Protection Planning & Improvements	Total Nonmajor Governmental Funds
\$ 192,840	\$ 4,649,447	\$ 28,023,342
-	-	237,851
-	39,597	178,993
-	-	27,124
-	-	20,103
<u>\$ 192,840</u>	<u>\$ 4,689,044</u>	<u>\$ 28,487,413</u>
-	-	101,058
-	-	5,247
-	-	308,658
-	-	414,963
-	-	20,103
192,840	4,689,044	23,880,890
-	-	4,171,457
<u>192,840</u>	<u>4,689,044</u>	<u>28,072,450</u>
<u>\$ 192,840</u>	<u>\$ 4,689,044</u>	<u>\$ 28,487,413</u>

City of Foster City and Estero Municipal Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2024

	Special Revenue Funds			
	Traffic Safety	Measure A	Gas Tax	Park-in-lieu
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use and sales tax in lieu	-	926,490	-	-
Intergovernmental	-	-	927,873	-
Charges for current services	-	-	-	-
Fines and forfeitures	42,388	-	-	-
Investment and rental income	-	257,021	23,866	133,770
Other	-	-	-	-
Total revenues	42,388	1,183,511	951,739	133,770
EXPENDITURES:				
Current:				
General government	-	-	106,679	-
Public safety - Police	-	-	-	-
Public works	43,605	-	538,870	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	657,846	290,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	43,605	657,846	935,549	-
REVENUES OVER (UNDER)				
EXPENDITURES	(1,217)	525,665	16,190	133,770
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(1,217)	525,665	16,190	133,770
FUND BALANCES:				
Beginning of year	7,496	4,686,950	517,183	2,902,945
End of year	\$ 6,279	\$ 5,212,615	\$ 533,373	\$ 3,036,715

Special Revenue Funds						
Measure M	SLESF/COPS Grant	California Opportunities	Foster City Foundation	SB1 Road Maintenance & Rehabilitation Fund	General Plan Maintenance Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
100,000	186,159	-	-	869,587	31,020	-
-	-	-	-	-	361,727	-
-	-	-	-	-	-	-
-	-	33,392	-	60,175	96,198	-
-	-	500,360	41,260	-	-	-
100,000	186,159	533,752	41,260	929,762	488,945	-
-	-	336,379	-	-	-	-
-	186,159	-	610	-	-	-
-	-	-	1,020	-	-	-
-	-	-	-	-	-	128,968
-	-	-	42,658	-	-	-
100,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
100,000	186,159	336,379	44,288	-	128,968	-
-	-	197,373	(3,028)	929,762	359,977	-
-	-	-	(21,948)	-	-	-
-	-	-	-	-	-	-
-	-	-	(21,948)	-	-	-
-	-	197,373	(24,976)	929,762	359,977	-
-	-	459,336	413,213	863,817	1,927,194	-
\$ -	\$ -	\$ 656,709	\$ 388,237	\$ 1,793,579	\$ 2,287,171	

City of Foster City and Estero Municipal Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2024

	Special Revenue Funds			
	Construction and Demolition Recycling Fund	Technology Maintenance Fund	SB 1186 (Disability Access) Fund	Strong Motion Intrument Program (SMIP) Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use and sales tax in lieu	-	-	-	-
Intergovernmental	-	-	-	-
Charges for current services	72,979	64,222	6,989	147
Fines and forfeitures	-	-	-	-
Investment and rental income	46,686	10,016	1,942	270
Other	-	-	-	-
Total revenues	119,665	74,238	8,931	417
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety - Police	-	-	-	-
Public works	55,716	-	-	-
Community development	-	91,081	1,300	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	55,716	91,081	1,300	-
REVENUES OVER (UNDER)				
EXPENDITURES	63,949	(16,843)	7,631	417
OTHER FINANCING SOURCES (USES):				
Transfers out	(50,000)	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	(50,000)	-	-	-
Net change in fund balances	13,949	(16,843)	7,631	417
FUND BALANCES:				
Beginning of year	758,768	226,770	39,618	5,384
End of year	\$ 772,717	\$ 209,927	\$ 47,249	\$ 5,801

Special Revenue Funds

CRV Grant Fund	Curbside Recycling Fund	Green Building Fee Fund	Measure W	Commercial Linkage Fee	Tenant Relocation Assistance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	409,000	-	-
-	-	-	-	-	-
-	-	398	-	4,789,410	-
-	-	-	-	-	-
450	11,719	348	67,881	99,073	10,790
8,534	13,056	-	-	-	-
8,984	24,775	746	476,881	4,888,483	10,790
-	-	-	-	-	-
-	-	-	-	-	-
11,993	-	-	-	-	-
-	-	-	-	9,909	-
-	-	-	-	-	-
-	-	-	240,215	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,993	-	-	240,215	9,909	-
(3,009)	24,775	746	236,666	4,878,574	10,790
-	-	-	-	-	-
-	-	-	-	-	-
(3,009)	24,775	746	236,666	4,878,574	10,790
14,124	253,249	6,928	1,234,883	588,598	234,143
\$ 11,115	\$ 278,024	\$ 7,674	\$ 1,471,549	\$ 5,467,172	\$ 244,933

City of Foster City and Estero Municipal Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2024

	Special Revenue Funds			
	SB 1383 Implementation Fund	Workforce Housing Fund	Parks Facilities Impact Fee	Public Safety Impact Fee
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use and sales tax in lieu	-	-	-	-
Intergovernmental	-	-	-	-
Charges for current services	-	-	560,361	60,666
Fines and forfeitures	-	-	-	-
Investment and rental income	1,849	634,790	8,437	913
Other	92,779	21,400	-	-
Total revenues	94,628	656,190	568,798	61,579
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety - Police	-	-	-	-
Public works	42,495	-	-	-
Community development	-	233,518	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	42,495	233,518	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	52,133	422,672	568,798	61,579
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(557,446)	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	-	(557,446)	-	-
Net change in fund balances	52,133	(134,774)	568,798	61,579
FUND BALANCES:				
Beginning of year	31,221	180,770	-	-
End of year	\$ 83,354	\$ 45,996	\$ 568,798	\$ 61,579

Debt Services Fund		
Transportation Impact Fee	Levee Protection Planning & Improvements	Total Nonmajor Governmental Funds
\$ -	\$ 4,281,354	\$ 4,281,354
-	-	1,335,490
-	10,629	2,125,268
189,980	-	6,106,879
-	-	42,388
2,860	123,768	1,626,214
-	-	677,389
192,840	4,415,751	16,194,982
-	-	443,058
-	-	186,769
-	-	693,699
-	-	464,776
-	-	42,658
-	-	1,288,061
-	3,050,000	3,050,000
-	2,407,600	2,407,600
-	5,457,600	8,576,621
192,840	(1,041,849)	7,618,361
-	-	(629,394)
-	224,971	224,971
-	224,971	(404,423)
192,840	(816,878)	7,213,938
-	5,505,922	20,858,512
\$ 192,840	\$ 4,689,044	\$ 28,072,450

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Traffic Safety
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 60,000	\$ 60,000	\$ 42,388	\$ (17,612)
Total revenues	60,000	60,000	42,388	(17,612)
EXPENDITURES:				
Current:				
Public works	60,000	60,000	43,605	16,395
Total expenditures	60,000	60,000	43,605	16,395
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(1,217)	(1,217)
Net change in fund balances	\$ -	\$ -	(1,217)	\$ (1,217)
FUND BALANCES:				
Beginning of year			7,496	
End of year			<u>\$ 6,279</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure A
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales and use and sales tax in lieu	\$ 764,800	\$ 764,800	\$ 926,490	\$ 161,690
Investment and rental income	109,200	109,200	257,021	147,821
Total revenues	874,000	874,000	1,183,511	309,511
EXPENDITURES:				
Capital outlay	-	4,253,589	657,846	3,595,743
Total expenditures	-	4,253,589	657,846	3,595,743
REVENUES OVER (UNDER)				
EXPENDITURES	874,000	(3,379,589)	525,665	3,905,254
Net change in fund balances	\$ 874,000	\$ (3,379,589)	525,665	\$ 3,905,254
FUND BALANCES:				
Beginning of year			4,686,950	
End of year			<u>\$ 5,212,615</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Gas Tax
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 967,897	\$ 967,897	\$ 927,873	\$ (40,024)
Investment and rental income	12,800	12,800	23,866	11,066
Total revenues	980,697	980,697	951,739	(28,958)
EXPENDITURES:				
Current:				
General government	106,679	106,679	106,679	-
Public works	538,870	538,870	538,870	-
Capital outlay	-	290,000	290,000	-
Total expenditures	645,549	935,549	935,549	-
Net change in fund balances	\$ 335,148	\$ 45,148	16,190	\$ (28,958)
FUND BALANCES:				
Beginning of year			517,183	
End of year			<u>\$ 533,373</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Park-in-lieu
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 74,800	\$ 74,800	\$ 133,770	\$ 58,970
Total revenues	74,800	74,800	133,770	58,970
EXPENDITURES:				
Capital outlay	-	745,435	-	745,435
Total expenditures	-	745,435	-	745,435
Net change in fund balances	\$ 74,800	\$ (670,635)	133,770	\$ 804,405
FUND BALANCES:				
Beginning of year			2,902,945	
End of year			<u>\$ 3,036,715</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure M
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 121,700	\$ 121,700	\$ 100,000	\$ (21,700)
Total revenues	121,700	121,700	100,000	(21,700)
EXPENDITURES:				
Capital outlay	-	100,000	100,000	-
Total expenditures	-	100,000	100,000	-
Net change in fund balances	\$ 121,700	\$ 21,700	-	\$ (21,700)
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
SLESE/COPS Grant
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 186,159	\$ 31,159
Total revenues	155,000	155,000	186,159	31,159
EXPENDITURES:				
Current:				
Public safety - Police	100,000	100,000	186,159	(86,159)
Total expenditures	100,000	100,000	186,159	(86,159)
Net change in fund balances	\$ 55,000	\$ 55,000	-	\$ (55,000)
FUND BALANCES:				
Beginning of year				-
End of year			\$ -	-

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
California Opportunities
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 10,800	\$ 10,800	\$ 33,392	\$ 22,592
Other	503,277	503,277	500,360	(2,917)
Total revenues	514,077	514,077	533,752	19,675
EXPENDITURES:				
Current:				
General government	780,949	783,050	336,379	446,671
Total expenditures	780,949	783,050	336,379	446,671
Net change in fund balances	\$ (266,872)	\$ (268,973)	197,373	\$ 466,346
FUND BALANCES:				
Beginning of year			459,336	
End of year			\$ 656,709	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Foster City Foundation
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other	\$ 38,900	\$ 38,900	\$ 41,260	\$ 2,360
Total revenues	38,900	38,900	41,260	2,360
EXPENDITURES:				
Current:				
Public safety - Police	10,000	10,000	610	9,390
Public works	1,250	1,250	1,020	230
Parks and recreation	125,000	125,000	42,658	82,342
Total expenditures	136,250	136,250	44,288	91,962
REVENUES OVER (UNDER)				
EXPENDITURES	(97,350)	(97,350)	(3,028)	94,322
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(21,948)	(21,948)
Total other financing sources (uses)	-	-	(21,948)	(21,948)
Net change in fund balances	\$ (97,350)	\$ (97,350)	(24,976)	\$ 72,374
FUND BALANCES:				
Beginning of year			413,213	
End of year			<u>\$ 388,237</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
SB1 Road Maintenance & Rehabilitation Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 832,998	\$ 832,998	\$ 869,587	\$ 36,589
Investment and rental income	23,600	23,600	60,175	36,575
Total revenues	856,598	856,598	929,762	73,164
EXPENDITURES:				
Capital outlay	-	455,058	-	455,058
Total expenditures	-	455,058	-	455,058
Net change in fund balances	\$ 856,598	\$ 401,540	929,762	\$ 528,222
FUND BALANCES:				
Beginning of year			863,817	
End of year			<u>\$ 1,793,579</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Plan Maintenance Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 31,020	\$ 31,020
Charges for current services	-	-	361,727	361,727
Investment and rental income	34,700	34,700	96,198	61,498
Total revenues	34,700	34,700	488,945	454,245
EXPENDITURES:				
Current:				
Community development	107,400	167,400	128,968	38,432
Total expenditures	107,400	167,400	128,968	38,432
Net change in fund balances	\$ (72,700)	\$ (132,700)	359,977	\$ 492,677
FUND BALANCES:				
Beginning of year			1,927,194	
End of year			<u>\$ 2,287,171</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Construction and Demolition Recycling Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ 37,200	\$ 37,200	\$ 72,979	\$ 35,779
Investment and rental income	28,800	28,800	46,686	17,886
Total revenues	66,000	66,000	119,665	53,665
EXPENDITURES:				
Current:				
Public works	284,750	309,750	55,716	254,034
Total expenditures	284,750	309,750	55,716	254,034
REVENUES OVER (UNDER)				
EXPENDITURES	(218,750)	(243,750)	63,949	307,699
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	-	(50,000)	(50,000)
Net change in fund balances	\$ (218,750)	\$ (243,750)	13,949	\$ 257,699
FUND BALANCES:				
Beginning of year			758,768	
End of year			<u>\$ 772,717</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Technology Maintenance Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 31,940	\$ 31,940	\$ 64,222	\$ 32,282
Investment and rental income	5,600	5,600	10,016	4,416
Total revenues	37,540	37,540	74,238	36,698
EXPENDITURES:				
Current:				
Community development	105,485	105,485	91,081	14,404
Total expenditures	105,485	105,485	91,081	14,404
Net change in fund balances	\$ (67,945)	\$ (67,945)	(16,843)	\$ 51,102
FUND BALANCES:				
Beginning of year			226,770	
End of year			\$ 209,927	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
SB 1186 (Disability Access) Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 4,000	\$ 4,000	\$ 6,989	\$ 2,989
Investment and rental income	1,200	1,200	1,942	742
Total revenues	5,200	5,200	8,931	3,731
EXPENDITURES:				
Current:				
Community development	1,300	1,300	1,300	-
Total expenditures	1,300	1,300	1,300	-
Net change in fund balances	\$ 3,900	\$ 3,900	7,631	\$ 3,731
FUND BALANCES:				
Beginning of year			39,618	
End of year			\$ 47,249	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Strong Motion Intrument Program (SMIP) Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 420	\$ 420	\$ 147	\$ (273)
Investment and rental income	200	200	270	70
Total revenues	620	620	417	(203)
EXPENDITURES:				
Current:				
Community development	500	500	-	500
Total expenditures	500	500	-	500
Net change in fund balances	\$ 120	\$ 120	417	\$ 297
FUND BALANCES:				
Beginning of year			5,384	
End of year			<u>\$ 5,801</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CRV Grant Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 240	\$ 240	\$ 450	\$ 210
Other	8,500	8,500	8,534	34
Total revenues	8,740	8,740	8,984	244
EXPENDITURES:				
Current:				
Public works	12,419	21,919	11,993	9,926
Total expenditures	12,419	21,919	11,993	9,926
Net change in fund balances	\$ (3,679)	\$ (13,179)	(3,009)	\$ 10,170
FUND BALANCES:				
Beginning of year			14,124	
End of year			<u>\$ 11,115</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Curbside Recycling Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 7,600	\$ 7,600	\$ 11,719	\$ 4,119
Other	15,000	15,000	13,056	(1,944)
Total revenues	22,600	22,600	24,775	2,175
EXPENDITURES:				
Current:				
Public works	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balances	\$ (2,400)	\$ (2,400)	24,775	\$ 27,175
FUND BALANCES:				
Beginning of year			253,249	
End of year			\$ 278,024	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Green Building Fee Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ 700	\$ 700	\$ 398	\$ (302)
Investment and rental income	200	200	348	148
Total revenues	900	900	746	(154)
EXPENDITURES:				
Current:				
Community development	500	500	-	500
Total expenditures	500	500	-	500
Net change in fund balances	\$ 400	\$ 400	746	\$ 346
FUND BALANCES:				
Beginning of year			6,928	
End of year			<u>\$ 7,674</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure W
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales and use and sales tax in lieu	\$ 359,600	\$ 359,600	\$ 409,000	\$ 49,400
Investment and rental income	29,600	29,600	67,881	38,281
Total revenues	389,200	389,200	476,881	87,681
EXPENDITURES:				
Current:				
Capital outlay	-	815,216	240,215	575,001
Total expenditures	-	815,216	240,215	575,001
Net change in fund balances	\$ 389,200	\$ (426,016)	236,666	\$ 662,682
FUND BALANCES:				
Beginning of year			1,234,883	
End of year			\$ 1,471,549	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Commercial Linkage Fee
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ -	\$ -	\$ 4,789,410	\$ 4,789,410
Investment and rental income	14,800	14,800	99,073	84,273
Total revenues	14,800	14,800	4,888,483	4,873,683
EXPENDITURES:				
Current:				
Community development	10,000	10,000	9,909	91
Total expenditures	10,000	10,000	9,909	91
Net change in fund balances	\$ 4,800	\$ 4,800	4,878,574	\$ 4,873,774
FUND BALANCES:				
Beginning of year			588,598	
End of year			<u>\$ 5,467,172</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Tenant Relocation Assistance
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental income	\$ 2,000	\$ 2,000	\$ 10,790	\$ 8,790
Other	-	-	-	-
Total revenues	2,000	2,000	10,790	8,790
EXPENDITURES:				
Current:				
Community development	51,640	51,640	-	51,640
Total expenditures	51,640	51,640	-	51,640
Net change in fund balances	\$ (49,640)	\$ (49,640)	10,790	\$ 60,430
FUND BALANCES:				
Beginning of year			234,143	
End of year			\$ 244,933	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
SB 1383 Implementation Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Investment and rental income	\$ 200	\$ 200	\$ 1,849	\$ 1,649
Other	-	-	92,779	92,779
Total revenues	200	200	94,628	94,428
EXPENDITURES:				
Current:				
Public works	-	122,694	42,495	80,199
Total expenditures	-	122,694	42,495	80,199
Net change in fund balances	\$ 200	\$ (122,494)	52,133	\$ 174,627
FUND BALANCES:				
Beginning of year			31,221	
End of year			<u>\$ 83,354</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Workforce Housing Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Investment and rental income	\$ 629,440	\$ 629,440	\$ 634,790	\$ 5,350
Other	24,100	24,100	21,400	(2,700)
Total revenues	653,540	653,540	656,190	2,650
EXPENDITURES:				
Current:				
Community development	386,187	386,187	233,518	152,669
Total expenditures	386,187	386,187	233,518	152,669
REVENUES OVER (UNDER)				
EXPENDITURES	267,353	267,353	422,672	155,319
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(557,446)	(557,446)
Total other financing sources (uses)	-	-	(557,446)	(557,446)
Net change in fund balances	\$ 267,353	\$ 267,353	(134,774)	\$ (402,127)
FUND BALANCES:				
Beginning of year			180,770	
End of year			<u>\$ 45,996</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks Facilities Impact Fee
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ -	\$ -	\$ 560,361	\$ 560,361
Investment and rental income	-	-	8,437	8,437
Total revenues	-	-	568,798	568,798
EXPENDITURES:				
Current:				
Parks and recreation	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	568,798	<u>\$ 568,798</u>
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ 568,798</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Safety Impact Fee
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ -	\$ -	\$ 60,666	\$ 60,666
Investment and rental income	-	-	913	913
Total revenues	-	-	61,579	61,579
EXPENDITURES:				
Current:				
Public safety - Police	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	61,579	\$ 61,579
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ 61,579</u>	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Transportation Impact Fee
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ -	\$ -	\$ 189,980	\$ 189,980
Investment and rental income	-	-	2,860	2,860
Total revenues	-	-	192,840	192,840
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	192,840	\$ 192,840
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 192,840	

City of Foster City and Estero Municipal Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Levee Protection Planning & Improvements
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 4,004,900	\$ 4,004,900	\$ 4,281,354	\$ 276,454
Intergovernmental	-	-	10,629	10,629
Investment and rental income	6,600	6,600	123,768	117,168
Total revenues	4,011,500	4,011,500	4,415,751	404,251
EXPENDITURES:				
Debt service:				
Principal	3,050,000	3,050,000	3,050,000	-
Interest	2,299,188	2,408,701	2,407,600	1,101
Total expenditures	5,349,188	5,458,701	5,457,600	1,101
REVENUES OVER (UNDER)				
EXPENDITURES	(1,337,688)	(1,447,201)	(1,041,849)	405,352
OTHER FINANCING SOURCES (USES):				
Premium on bonds issued	-	-	224,971	224,971
Total other financing sources (uses)	-	-	224,971	224,971
Net change in fund balances	\$ (1,337,688)	\$ (1,447,201)	(816,878)	\$ 630,323
FUND BALANCES:				
Beginning of year			5,505,922	
End of year			<u>\$ 4,689,044</u>	

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City of Foster and Estero Municipal Improvement District
Internal Service Funds
Year Ended June 30, 2024

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal Service Funds used at the City/District are listed below:

The *Vehicle Rental Fund* accounts for vehicle replacement, acquisition and maintenance service charges and the related billings to various departments

The *Equipment Replacement Fund* accounts for equipment replacement, acquisition and the related billings to various departments.

The *Self-Insurance Fund* accounts for charges to the various departments for general liability, litigation and for the related premium billings and administrative costs.

The *Information Technology Fund* accounts for communication and information service acquisitions and maintenance service charges and the related billings to various departments.

The *Building Maintenance Fund* provides management, maintenance and daily inspection of all City/District buildings and equipment.

The *Longevity Recognition Benefits Fund* accounts for post-employment benefit obligations to eligible employees represented by Foster City Police Officer's Association (FCPOA), the San Mateo County Firefighters, local 2400, International Association of Firefighters, and the non-represented Safety Management Employees.

The *PEMHCA Benefits Plan Fund* accounts for retiree medical benefit obligations due to the CalPERS' Public Employees' Medical and Hospital Cared Act medical benefits plan.

The *Compensated Absences Fund* accounts for the payout of compensated absences (vacation and sick leaves) to governmental fund employees upon separation of employment.

City of Foster City and Estero Municipal Improvement District
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Vehicle Rental	Equipment Replacement	Self Insurance	Information Technology
ASSETS				
Current Assets:				
Cash and investments	\$ 7,213,727	\$ 7,558,343	\$ 1,206,004	\$ 7,912,384
Receivables, net of allowance:				
Accrued interest	-	-	-	-
Other	2,500	14,203	-	-
Prepays and deposits	731	-	-	390
Inventory	60,835	42,163	-	-
Total current assets	7,277,793	7,614,709	1,206,004	7,912,774
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	-	44,299	-	-
Depreciable capital assets	4,966,718	8,068,656	-	-
Accumulated depreciation	(2,986,183)	(6,291,248)	-	-
Net capital assets	1,980,535	1,821,707	-	-
Total noncurrent assets	1,980,535	1,821,707	-	-
Total assets	9,258,328	9,436,416	1,206,004	7,912,774
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	161,193	-	-	292,162
Related to OPEB	5,689	-	-	17,127
Total deferred outflows of resources	166,882	-	-	309,289
LIABILITIES				
Current liabilities:				
Accounts payable	32,590	-	-	51,348
Accrued payroll	20,383	-	-	34,013
Claims payable - current portion	-	-	150,000	-
Compensated absences - current portion	16,830	-	-	50,654
OPEB liability - current portion	4,691	-	-	14,123
Long-term liabilities - current portion	-	-	-	-
Total current liabilities	74,494	-	150,000	150,138
Noncurrent liabilities:				
Compensated absences	12,708	-	-	85,909
Total OPEB liability	78,824	-	-	237,319
Net pension liability	520,315	-	-	943,071
Long-term liabilities	-	-	-	-
Total noncurrent liabilities	611,847	-	-	1,266,299
Total liabilities	686,341	-	150,000	1,416,437
DEFERRED INFLOWS OF RESOURCES				
Unavailable-loan receivable	-	-	-	-
Related to OPEB	27,850	-	-	83,850
Related to Pension	4,184	-	-	7,584
Total deferred inflows of resources	32,034	-	-	91,434
NET POSITION				
Net investment in capital assets	1,980,535	1,821,707	-	-
Unrestricted	6,726,300	7,614,709	1,056,004	6,714,192
Total net position	\$ 8,706,835	\$ 9,436,416	\$ 1,056,004	\$ 6,714,192

Building Maintenance	Longevity Recognition Benefits	PEMHCA	Compensated Absences	Totals
\$ 10,723,790	\$ 2,812,042	\$ 6,633,292	\$ 4,075,217	\$ 48,134,799
-	12,449	29,391	-	41,840
1,855	-	-	-	18,558
-	-	-	-	1,121
-	-	-	-	102,998
10,725,645	2,824,491	6,662,683	4,075,217	48,299,316
-	-	-	-	44,299
-	-	-	-	13,035,374
-	-	-	-	(9,277,431)
-	-	-	-	3,802,242
-	-	-	-	3,802,242
10,725,645	2,824,491	6,662,683	4,075,217	52,101,558
273,273	-	-	-	726,628
11,438	-	-	-	34,254
284,711	-	-	-	760,882
178,479	-	-	-	262,417
28,984	-	-	-	83,380
-	-	-	-	150,000
29,934	-	-	-	97,418
9,432	-	-	-	28,246
31,466	-	-	-	31,466
278,295	-	-	-	652,927
49,568	-	-	-	148,185
158,495	-	-	-	474,638
882,096	-	-	-	2,345,482
2,622	-	-	-	2,622
1,092,781	-	-	-	2,970,927
1,371,076	-	-	-	3,623,854
-	-	-	-	-
56,000	-	-	-	167,700
7,094	-	-	-	18,862
63,094	-	-	-	186,562
-	-	-	-	3,802,242
9,576,186	2,824,491	6,662,683	4,075,217	45,249,782
\$ 9,576,186	\$ 2,824,491	\$ 6,662,683	\$ 4,075,217	\$ 49,052,024

City of Foster City and Estero Municipal Improvement District
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2024

	Vehicle Rental	Equipment Replacement	Self Insurance	Information Technology
OPERATING REVENUES:				
Charges for services - internal	\$ 1,936,973	\$ 166,808	\$ 1,518,261	\$ 2,530,022
Total operating revenues	1,936,973	166,808	1,518,261	2,530,022
OPERATING EXPENSES:				
Personnel	550,441	-	-	1,040,909
Repairs and maintenance	397,330	3,990	-	927,118
General and administration	18,966	-	300	138,545
Depreciation and amortization	348,889	283,855	-	-
Contractual services	35,693	-	111,176	53,944
Insurance	197,374	-	1,359,983	-
Total operating expenses	1,548,693	287,845	1,471,459	2,160,516
Operating income (loss)	388,280	(121,037)	46,802	369,506
NONOPERATING REVENUES (EXPENSES):				
Gain (loss) on disposal of capital assets	-	(10,660)	-	-
Investment income	388,623	401,146	36,202	402,044
Miscellaneous	11,620	59,008	-	41,842
Total nonoperating revenues (expenses)	400,243	449,494	36,202	443,886
Change in net position	788,523	328,457	83,004	813,392
NET POSITION:				
Beginning of year	7,918,312	9,107,959	973,000	5,900,800
End of year	\$ 8,706,835	\$ 9,436,416	\$ 1,056,004	\$ 6,714,192

Building Maintenance	Longevity Recognition Benefits	PEMHCA	Compensated Absences	Totals
\$ 3,527,145	\$ 228,420	\$ 235,843	\$ 539,574	\$ 10,683,046
3,527,145	228,420	235,843	539,574	10,683,046
1,005,606	204,343	196,075	132,397	3,129,771
335,592	-	-	-	1,664,030
844,833	-	-	-	1,002,644
-	-	-	-	632,744
418,984	5,575	8,213	-	633,585
-	-	-	-	1,557,357
2,605,015	209,918	204,288	132,397	8,620,131
922,130	18,502	31,555	407,177	2,062,915
-	-	-	-	(10,660)
530,111	145,635	343,853	203,126	2,450,740
50,449	-	-	-	162,919
580,560	145,635	343,853	203,126	2,602,999
1,502,690	164,137	375,408	610,303	4,665,914
8,073,496	2,660,354	6,287,275	3,464,914	44,386,110
\$ 9,576,186	\$ 2,824,491	\$ 6,662,683	\$ 4,075,217	\$ 49,052,024

City of Foster City and Estero Municipal Improvement District
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Vehicle Rental	Equipment Replacement	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interdepartmental charges	\$ 1,936,973	\$ 166,808	\$ 1,518,261
Cash received from others	22,061	60,514	-
Cash payments to suppliers for goods and services	(710,096)	(38,172)	(1,471,459)
Cash payments to employees for services	(553,909)	-	10,000
Net cash provided by (used in) operating activities	695,029	189,150	56,802
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term-debt	-	-	-
Acquisition and construction of capital assets	(659,280)	(149,144)	-
Net cash provided by (used in) capital and related financing activities	(659,280)	(149,144)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	388,623	401,146	36,202
Net cash provided by (used in) investing activities	388,623	401,146	36,202
Net cash flows	424,372	441,152	93,004
CASH AND INVESTMENTS - Beginning of year	6,789,355	7,117,191	1,113,000
CASH AND INVESTMENTS - End of year	\$ 7,213,727	\$ 7,558,343	\$ 1,206,004
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 388,280	\$ (121,037)	\$ 46,802
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	348,889	283,855	-
Miscellaneous revenues	11,620	59,008	-
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Other receivables	10,441	1,506	-
Deposit and prepaid items	(731)	-	-
Inventory	(8,825)	-	-
Deferred outflows of resources	15,946	-	-
Increase (decrease) in:			
Accounts payable	(51,177)	(34,182)	-
Accrued payroll	1,263	-	-
Claims liability	-	-	10,000
Compensated absences	4,166	-	-
Total OPEB liability	(20,110)	-	-
Net pension liability	20,412	-	-
Deferred inflows of resources	(25,145)	-	-
Net cash provided by (used in) operating activities	\$ 695,029	\$ 189,150	\$ 56,802

Information Technology	Building Maintenance	Longevity Recognition Benefits	PEMHCA	Compensated Absences	Totals
\$ 2,530,022	\$ 3,527,145	\$ 228,420	\$ 235,843	\$ 539,574	\$ 10,683,046
43,166	69,194	-	-	-	194,935
(1,127,503)	(1,538,398)	(5,575)	(8,213)	-	(4,899,416)
(942,592)	(950,743)	(204,343)	(196,075)	(132,397)	(2,970,059)
503,093	1,107,198	18,502	31,555	407,177	3,008,506
-	(28,844)	-	-	-	(28,844)
-	-	-	-	-	(808,424)
-	(28,844)	-	-	-	(837,268)
402,044	530,111	133,186	314,462	203,126	2,408,900
402,044	530,111	133,186	314,462	203,126	2,408,900
905,137	1,608,465	151,688	346,017	610,303	4,580,138
7,007,247	9,115,325	2,660,354	6,287,275	3,464,914	43,554,661
\$ 7,912,384	\$ 10,723,790	\$ 2,812,042	\$ 6,633,292	\$ 4,075,217	\$ 48,134,799
\$ 369,506	\$ 922,130	\$ 18,502	\$ 31,555	\$ 407,177	\$ 2,062,915
-	-	-	-	-	632,744
41,842	50,449	-	-	-	162,919
1,324	18,745	-	-	-	32,016
(390)	-	-	-	-	(1,121)
-	-	-	-	-	(8,825)
23,991	21,537	-	-	-	61,474
(7,506)	61,011	-	-	-	(31,854)
2,039	(3,981)	-	-	-	(679)
-	-	-	-	-	10,000
11,931	(10,297)	-	-	-	5,800
44,191	30,053	-	-	-	54,134
36,998	34,605	-	-	-	92,015
(20,833)	(17,054)	-	-	-	(63,032)
\$ 503,093	\$ 1,107,198	\$ 18,502	\$ 31,555	\$ 407,177	\$ 3,008,506

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STATISTICAL SECTION

Economic Conditions Reporting: The Statistical Section – an amendment of NCGA Statement 1. The statement is intended to improve understanding what the information in the Basic Financial Statements, Notes, and Required Supplementary Information says:

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.

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City/District's current level of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

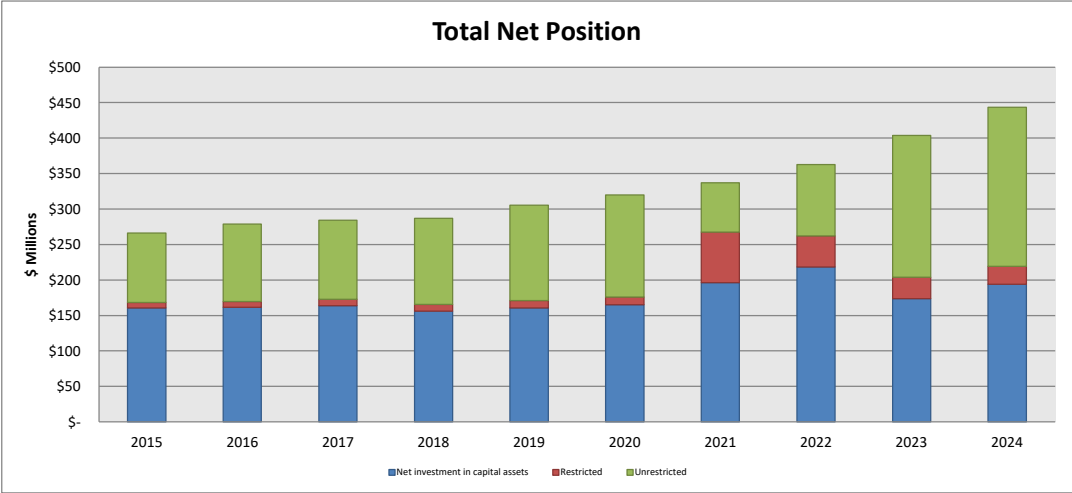
These schedules contain service data to help the reader understand how the information in the City/District's financial report relates to the services the City/District provides and the activities it performs.

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

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City of Foster City and Estero Municipal Improvement District
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 105,458,244	\$ 105,267,654	\$ 104,241,497	\$ 104,366,565	\$ 102,668,101	\$ 102,819,233	\$ 129,905,492	\$ 152,433,223	\$ 100,222,930	\$ 106,361,750
Restricted	7,666,923	8,164,308	8,875,532	9,353,747	10,389,000	10,601,909	71,387,356	43,350,355	24,219,418	23,343,401
Unrestricted	68,977,993	79,035,368	83,096,489	82,200,472	95,333,932	102,269,338	22,213,233	41,872,624	137,620,733	154,686,183
Total governmental activities net position	\$ 182,103,160	\$ 192,467,330	\$ 196,213,518	\$ 195,920,784	\$ 208,391,033	\$ 215,690,480	\$ 223,506,081	\$ 237,656,202	\$ 262,063,081	\$ 284,391,334
Business-type activities										
Net Investment in capital assets	\$ 55,371,422	\$ 56,208,645	\$ 59,464,204	\$ 51,691,503	\$ 57,834,914	\$ 62,401,864	\$ 66,148,527	\$ 66,131,749	\$ 73,565,692	\$ 87,688,170
Restricted	-	-	-	-	-	-	-	-	5,796,138	1,674,859
Unrestricted	28,654,572	30,219,485	28,425,170	39,096,553	38,964,497	41,885,954	47,396,460	58,724,334	62,349,900	69,613,712
Total business-type activities net position	\$ 84,025,994	\$ 86,428,130	\$ 87,889,374	\$ 90,788,056	\$ 96,799,411	\$ 104,287,818	\$ 113,544,987	\$ 124,856,083	\$ 141,711,730	\$ 158,976,741
Primary government										
Net Investment in capital assets	\$ 160,829,666	\$ 161,476,299	\$ 163,705,701	\$ 156,058,068	\$ 160,503,015	\$ 165,221,097	\$ 196,054,019	\$ 218,564,972	\$ 173,788,622	\$ 194,049,920
Restricted	7,666,923	8,164,308	8,875,532	9,353,747	10,389,000	10,601,909	71,387,356	43,350,355	30,015,556	25,018,260
Unrestricted	97,632,565	109,254,853	111,521,659	121,297,025	134,298,429	144,155,292	69,609,693	100,596,958	199,970,633	224,299,895
Total primary government net position	\$ 266,129,154	\$ 278,895,460	\$ 284,102,892	\$ 286,708,840	\$ 305,190,444	\$ 319,978,298	\$ 337,051,068	\$ 362,512,285	\$ 403,774,811	\$ 443,368,075



City of Foster City and Estero Municipal Improvement District
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 3,557,955	\$ 4,308,710	\$ 5,042,007	\$ 5,789,051	\$ 6,060,023	\$ 6,702,456	\$ 6,088,435	\$ 4,977,428	\$ 5,435,528	\$ 8,056,634
Police	9,853,153	10,438,938	11,226,563	14,100,954	15,022,253	15,697,931	14,797,439	15,354,015	14,709,027	17,049,525
Fire	8,301,670	7,929,490	8,789,853	10,801,237	11,033,747	11,033,747	11,287,606	12,186,217	11,130,241	12,598,383
Public works	4,650,758	4,335,309	4,760,961	5,707,187	5,430,742	5,376,875	4,575,342	4,913,006	6,225,191	7,458,051
Community development	2,176,539	2,417,650	2,590,742	3,073,843	2,907,622	2,980,907	3,254,326	3,095,744	4,157,767	5,088,099
Parks and recreation	8,808,422	8,750,077	10,085,864	10,777,390	11,096,170	11,256,138	10,678,377	9,342,094	10,851,261	13,541,837
Interest on long-term debt	-	-	-	-	-	-	1,516,623	1,939,751	2,293,073	3,014,507
Total governmental activities expenses	37,348,497	38,180,174	42,495,990	50,249,662	51,550,557	53,049,453	52,198,148	51,808,255	54,802,088	66,807,036
Business-type activities:										
Water	10,596,613	11,824,224	13,398,161	14,599,582	14,074,075	14,978,448	14,711,672	13,115,926	13,357,202	16,870,635
Wastewater	7,140,529	6,356,799	7,166,712	7,722,767	8,151,224	7,876,915	8,203,420	7,751,208	8,570,810	9,365,952
Public transportation	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	17,737,142	18,181,023	20,564,873	22,322,349	22,225,299	22,855,363	22,915,092	20,867,134	21,928,012	26,236,587
Total primary government expenses	\$ 55,085,639	\$ 56,361,197	\$ 63,060,863	\$ 72,572,011	\$ 73,775,856	\$ 75,904,816	\$ 75,113,240	\$ 72,675,389	\$ 76,730,100	\$ 93,043,623
Program Revenues										
Governmental activities:										
Charges for services:										
Public works	\$ 192,974	\$ 264,579	\$ 254,169	\$ 367,879	\$ 213,086	\$ 179,837	\$ 162,108	\$ 28,858	\$ 93,746	\$ 113,523
Parks and recreation	4,374,455	1,473,738	2,358,600	1,853,153	3,697,450	1,520,574	409,418	959,671	1,393,272	1,710,319
Other activities	4,586,595	4,589,520	5,919,975	6,066,430	4,173,106	3,409,238	4,074,120	4,436,390	4,202,787	9,552,287
Operating grants and contributions	2,655,353	3,137,709	1,262,548	1,236,057	1,136,501	1,302,269	1,572,224	5,237,263	5,639,549	1,429,973
Capital grants and contributions	709,800	290,669	586,884	2,218,653	1,115,882	979,700	1,347,461	1,744,628	1,648,631	1,093,382
Total governmental activities program revenues	12,519,177	9,756,215	10,382,176	11,742,172	10,336,025	7,391,618	7,565,331	12,406,810	12,977,985	13,899,484
Business-type activities:										
Charges for services:										
Water	10,230,148	11,635,584	12,574,363	14,833,965	15,382,698	16,552,780	17,678,897	16,700,178	15,804,702	17,638,042
Wastewater	7,921,198	8,464,663	9,168,192	10,723,302	12,121,747	13,649,963	15,690,009	17,777,050	20,228,535	21,119,646
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	26,991	71,315	32,174	8,741	5,557	21,216	446	28,791	15,187	11,909
Total business-type activities program revenues	18,178,337	20,171,562	21,774,729	25,566,008	27,510,002	30,223,959	33,369,352	34,506,019	36,048,424	38,769,597
Total primary government program revenues	\$ 30,697,514	\$ 29,927,777	\$ 32,156,905	\$ 37,308,180	\$ 37,846,027	\$ 37,615,577	\$ 40,934,683	\$ 46,912,829	\$ 49,026,409	\$ 52,669,081
Net (Expense)/Revenue										
Governmental activities	\$ (24,829,320)	\$ (28,423,959)	\$ (32,113,814)	\$ (38,507,490)	\$ (41,214,532)	\$ (45,657,835)	\$ (44,632,817)	\$ (39,401,445)	\$ (41,824,103)	\$ (52,907,552)
Business-type activities	441,195	1,990,539	1,209,856	3,243,659	5,284,703	7,368,596	10,454,260	13,638,885	14,120,412	12,533,010
Total primary government net expense	\$ (24,388,125)	\$ (26,433,420)	\$ (30,903,958)	\$ (35,263,831)	\$ (35,929,829)	\$ (38,289,239)	\$ (34,178,557)	\$ (25,762,560)	\$ (27,703,691)	\$ (40,374,542)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 22,824,950	\$ 25,042,950	\$ 27,249,762	\$ 29,697,500	\$ 33,612,508	\$ 35,186,668	\$ 41,633,116	\$ 43,155,803	\$ 46,963,408	\$ 46,979,414
Franchise taxes	1,135,666	1,182,060	1,190,454	1,178,643	1,151,822	1,213,162	1,185,308	1,219,963	1,308,136	1,367,718
Sales taxes	3,955,873	3,892,638	3,780,217	4,141,017	4,513,774	4,424,946	4,073,476	5,135,331	5,799,717	5,034,302
Other taxes	4,660,905	4,853,059	5,011,598	5,628,469	6,570,639	5,559,014	2,922,410	4,167,196	5,486,272	6,551,700
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,256,791	2,807,314	2,487,713	2,801,998	7,340,714	5,672,389	2,191,807	(1,801,976)	6,516,594	9,860,991
Gain (loss) on JPA investment	-	-	-	-	84,643	663,404	(1,549)	773,157	2,424,473	5,081,778
Gain on sale of capital assets	-	-	37,071	101,798	(22,309)	-	-	-	-	-
Miscellaneous	30,088,299	1,010,108	134,187	316,522	124,124	237,699	443,850	902,092	633,032	359,902
Transfers	-	-	-	162,674	308,866	-	-	-	(128,887)	-
Total governmental activities	64,922,484	38,788,129	39,891,002	44,028,621	53,684,781	52,957,282	52,448,418	53,551,566	69,002,745	75,235,805
Business-type activities:										
Property Tax	-	-	-	-	-	-	-	-	-	-
Investment earnings	319,633	350,091	154,770	277,627	984,386	81,433	(1,247,738)	(2,391,082)	2,500,670	4,635,257
Loss on sales of capital assets	-	-	(7,860)	(479)	-	(10,665)	-	-	-	-
Miscellaneous	94,246	61,506	104,478	125,512	51,132	49,043	50,647	63,293	105,678	96,744
Transfers	-	-	-	(162,674)	(308,866)	-	-	-	128,887	-
Total business-type activities	413,879	411,597	251,388	239,986	726,652	119,811	(1,197,091)	(2,327,789)	2,735,235	4,732,001
Total primary government	\$ 65,336,363	\$ 39,199,726	\$ 40,142,390	\$ 44,268,607	\$ 54,411,433	\$ 53,077,093	\$ 51,251,327	\$ 51,223,777	\$ 71,737,980	\$ 79,967,806
Extraordinary Items										
Governmental activities:										
Extraordinary items										
Total governmental activities	1,131,265	-	-	-	-	-	-	-	-	-
Total primary government	\$ 1,131,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 41,224,429	\$ 10,364,170	\$ 7,777,188	\$ 5,521,131	\$ 12,470,249	\$ 7,299,447	\$ 7,815,601	\$ 14,150,121	\$ 27,178,642	\$ 22,328,253
Business-type activities	855,074	2,402,136	1,461,244	3,483,645	6,011,355	7,488,407	9,257,169	11,311,096	16,855,647	17,265,011
Total primary government	\$ 42,079,503	\$ 12,766,306	\$ 9,238,432	\$ 9,004,776	\$ 18,481,604	\$ 14,787,854	\$ 17,072,770	\$ 25,461,217	\$ 44,034,289	\$ 39,593,264

City of Foster City and Estero Municipal Improvement District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 30,968,962	\$ 33,196,631	\$ 35,378,834	\$38,848,086	\$43,986,723	\$44,477,091	\$48,326,501	\$51,986,123	\$57,717,652	\$57,904,090
Licenses, fees and permits	3,954,102	3,399,578	4,564,176	5,066,971	3,687,802	3,399,595	3,472,940	3,976,116	3,757,885	3,906,418
Fines and penalties	168,838	162,589	187,670	227,271	123,403	90,960	68,347	107,087	75,975	73,651
Charges for services	2,510,647	2,671,725	2,940,785	2,757,324	2,302,304	1,807,364	1,841,360	2,044,251	2,739,421	8,407,603
Special assessments	3,288,613	429,000	1,146,000	540,000	2,240,000	480,000	-	-	-	-
Intergovernmental	1,563,429	1,400,996	1,552,362	1,666,254	2,450,199	1,915,314	2,438,138	5,830,103	6,661,086	2,284,211
Investment earnings	2,273,291	2,345,939	1,978,805	2,330,691	6,489,694	4,719,935	2,052,552	(965,630)	7,995,328	12,527,882
Other revenues	2,882,967	4,394,357	1,961,964	3,838,427	1,464,509	1,500,190	1,650,893	2,812,482	1,715,379	1,377,509
Total revenues	47,610,849	48,000,815	49,710,596	55,275,024	62,744,634	58,390,449	59,850,731	65,790,532	80,662,726	86,481,364
Expenditures										
General government	3,162,004	3,738,875	4,599,220	4,633,199	4,995,310	5,944,704	6,779,021	5,744,561	6,472,320	7,205,724
Police	9,693,710	10,621,454	11,344,717	12,075,308	14,649,843	14,000,196	16,127,520	15,130,966	15,308,936	16,385,543
Fire	8,028,295	8,243,689	9,189,623	9,221,643	11,280,149	9,389,379	11,931,423	10,861,609	11,352,653	11,798,445
Public works	2,331,632	2,050,278	2,510,297	3,286,106	3,142,559	3,114,099	2,860,679	3,079,049	4,254,570	4,248,275
Community development	6,928,167	2,487,145	2,600,470	2,747,238	2,803,275	2,884,972	3,874,174	3,715,475	4,323,163	4,759,247
Parks and recreation	7,182,946	7,312,735	8,229,008	8,218,254	9,049,950	9,386,057	10,544,668	9,682,608	10,140,942	11,981,454
Capital outlay	6,483,904	3,880,749	3,491,142	3,932,684	5,312,860	4,747,124	32,503,065	27,820,924	34,720,557	13,713,243
Debt service										
Interest	-	-	-	-	-	-	1,516,623	2,594,788	2,438,388	3,050,000
Principal	-	-	-	-	-	-	-	3,895,000	3,940,000	2,507,463
Total expenditures	43,810,658	38,334,925	41,964,477	44,114,432	51,233,946	49,466,531	86,137,173	82,524,980	92,951,529	75,649,394
Excess of revenues over (under) expenditures	3,800,191	9,665,890	7,746,119	11,160,592	11,510,688	8,923,918	(26,286,442)	(16,734,448)	(12,288,803)	10,831,970
Other Financing Sources (uses)										
Proceeds from sale of capital assets	30,485,503	546,293	564,315	582,930	602,160	622,025	642,545	663,741	685,637	708,255
Issuance of long term debt	-	-	-	-	-	-	91,835,167	-	-	5,224,971
Transfers in	752,646	1,588,591	3,200,511	2,255,488	4,338,841	5,978,262	8,012,976	56,956,690	9,741,216	6,788,261
Transfers out	(630,646)	(1,751,789)	(3,200,511)	(2,255,488)	(7,387,275)	(5,255,112)	(7,412,976)	(56,656,690)	(8,742,157)	(6,788,261)
Total other financing sources (uses)	30,607,503	383,095	564,315	582,930	(2,446,274)	1,345,175	93,077,712	963,741	1,684,696	5,933,226
Net change in fund balances	\$ 34,407,694	\$ 10,048,985	\$ 8,310,434	\$ 11,743,522	\$ 9,064,414	\$ 10,269,093	\$ 66,791,270	\$ (15,770,707)	\$ (10,604,107)	\$ 16,765,196
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.91%	11.82%	11.12%	8.97%

City of Foster City and Estero Municipal Improvement District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-Spendable	31,380	39,730	48,595	56,029	48,231	19,415	18,475	64,154	48,397	37,081
Restricted	-	99,481	5,675	21,252	26,384	15,296	24,823	25,857	66,585	69,654
Committed	1,279,096	1,279,731	2,202,807	2,265,890	3,013,410	7,702,504	4,447,532	4,214,692	4,222,082	4,288,523
Assigned	619,948	138,174	28,093	125,010	8,240	-	-	-	-	-
Unassigned	30,303,100	39,628,699	43,397,590	50,980,152	52,180,181	50,858,876	52,979,962	44,019,375	58,622,519	63,734,236
Total general fund	\$ 32,233,524	\$ 41,185,815	\$ 45,682,760	\$ 53,448,333	\$ 55,276,446	\$ 58,596,091	\$ 57,470,792	\$ 48,324,078	\$ 62,959,583	\$ 68,129,494
All Other Governmental Funds										
Non-Spendable	683	-	-	75	2,203	-	-	1,750	33,375	20,103
Restricted	7,263,706	7,685,968	8,003,371	8,542,352	9,314,094	9,901,721	71,105,763	43,118,940	24,152,232	29,358,690
Committed	42,315,718	42,990,833	46,527,692	49,925,812	56,388,243	62,885,703	69,466,702	90,825,874	89,201,732	95,603,831
Unassigned	-	-	(40,773)	-	-	(133,436)	(1,908)	-	-	-
Total all other governmental funds	\$ 49,580,107	\$ 50,676,801	\$ 54,490,290	\$ 58,468,239	\$ 65,704,540	\$ 72,653,988	\$ 140,570,557	\$ 133,946,564	\$ 113,387,339	\$ 124,982,624

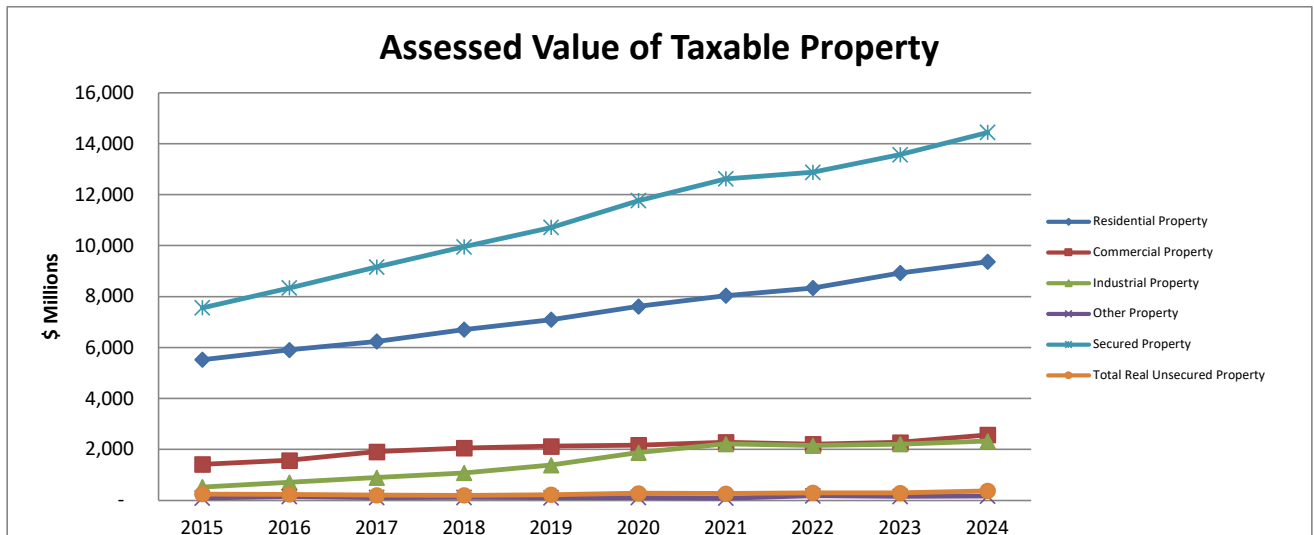
City of Foster City and Estero Municipal Improvement District

Assessed Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property	Total Real Secured Property	Unsecured Property	Total Assessed	Estimated Full Market ¹	Total Direct Tax Rate ²
2015	5,524,789	1,420,944	527,049	92,869	7,565,651	248,396	7,814,047	7,814,047	0.22474
2016	5,909,653	1,573,865	707,140	150,091	8,340,749	237,511	8,578,260	8,578,260	0.22323
2017	6,240,204	1,910,182	898,130	112,187	9,160,703	206,769	9,367,472	9,367,472	0.22231
2018	6,704,861	2,059,294	1,074,561	113,666	9,952,382	200,384	10,152,766	10,152,766	0.22156
2019	7,096,609	2,125,413	1,385,304	105,123	10,712,449	225,163	10,937,612	10,937,612	0.22086
2020	7,613,917	2,168,754	1,872,191	110,446	11,765,308	280,863	12,046,171	12,046,171	0.23441
2021	8,037,085	2,280,491	2,211,821	89,233	12,618,630	265,823	12,884,453	12,884,453	0.23437
2022	8,337,136	2,208,055	2,149,677	182,328	12,877,196	297,110	13,174,306	13,174,306	0.23449
2023	8,929,894	2,277,594	2,209,510	151,792	13,568,790	292,888	13,861,678	13,861,678	0.23449
2024	9,376,064	2,569,960	2,330,368	168,100	14,444,492	380,381	14,824,873	14,824,873	0.23449



Source: The HdL Company and San Mateo County Assessor 2014/15 - 2023/24 Combined Tax Rolls

Notes: ¹ Article XIII A, added to California Constitution by Proposition 13 in fiscal year 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1976 assessment roll.

Thereafter, full cash value can be increased/decreased:

- a) to reflect annual inflation up to 2 percent; or
- b) to reflect fair market value at the time of ownership change; or
- c) to reflect fair value for new construction; or
- d) to reflect reassessed fair value after appeal.

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.

City of Foster City and Estero Municipal Improvement District
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

Agency	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Belmont Elementary	0.01820	0.03620	0.03060	0.02780	0.02710	0.02050	0.02040	0.02050	0.00280	0.00530
Belmont-Redwood Shores	0.00000	0.00000	0.00000	0.00520	0.00430	0.00410	0.00390	0.00370	0.01250	0.03840
Foster City GO Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.03600	0.03100	0.02900	0.02790
Mid-Penninsula Regional Open Space	0.00000	0.00080	0.00060	0.00090	0.00180	0.00160	0.00150	0.00150	0.00130	0.00120
San Mateo Community College 2005 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00350	0.00370	0.00000	0.00000	0.00000
San Mateo Foster City Elementary	0.03880	0.04020	0.05460	0.05420	0.05300	0.04370	0.04620	0.06650	0.06130	0.05650
San Mateo High	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04760
San Mateo Junior College	0.01900	0.02500	0.02470	0.02350	0.01750	0.02310	0.01760	0.00000	0.00000	0.00000
San Mateo Junior Comm College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02270	0.01930	0.01900
San Mateo Union High	0.04750	0.04660	0.04150	0.04330	0.04070	0.03850	0.04490	0.04880	0.05040	0.00000
Sequoia Union High	0.04330	0.04340	0.03910	0.03830	0.03650	0.03400	0.03150	0.02900	0.02860	0.03910
Total Direct & Overlapping² Tax Rates	1.16680	1.19220	1.19110	1.19320	1.18090	1.16900	1.20570	1.22370	1.20520	1.23500
City's Share of 1% Levy Per Prop 13³	0.25974	0.25974	0.25974	0.25974	0.21971	0.23365	0.23366	0.23366	0.23367	0.23375
Voter Approved City Debt Rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Redevelopment Rate⁴	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate⁵	0.22474	0.22323	0.22231	0.22156	0.22086	0.23441	0.23437	0.23449	0.23449	0.23467

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF portion of the City's Levy has been subtracted where known.

⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source:

The HdL Company, 2014/15 - 2023/24 Direct and Overlapping Property Tax Rates Schedule
 San Mateo County Assessor 2014/15 -2023/24 Tax Rate Table

City of Foster City and Estero Municipal Improvement District Principal Property Tax Payers Current Year and Ten Years Ago

Taxpayer	FY 2023/2024			FY 2014/2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GILEAD SCIENCES INC	\$ 2,837,502,774	1	19.14%	\$ 855,960,025	1	10.95%
BMR LINCOLN CENTER LP	377,215,619	2	2.54%			
HUDSON METRO CENTER LLC	366,592,677	3	2.47%	195,963,828	3	2.51%
VISA USA INC	283,947,993	4	1.92%	265,137,832	2	3.39%
TRUST PARKSIDE TOWERS CORPORATION	241,543,677	5	1.63%	192,615,224	4	2.46%
BRE-BMR 4000 AND 4100 EAST 3RD LLC	235,065,000	6	1.59%			
BEX FMCA LLC	206,860,958	7	1.40%			
ROY GULATI REVOCABLE FAMILY TRUST	177,411,462	8	1.20%			
SF HILLSDALE 20102012 LLC	163,441,505	9	1.10%	138,000,000	5	1.77%
CV TRITON LLC	121,415,744	10	0.82%			
NORTHWESTERN MUTUAL LIFE				106,225,404	6	1.36%
BRE PROPERTIES INC				77,386,072	7	0.99%
BAYSIDE TOWERS INC				73,297,841	8	0.94%
PWM RESIDENTIAL VENTURE LLC				64,794,339	9	0.83%
SBK-METRO CENTER LLC				60,024,123	10	0.77%
Top Ten Total	5,010,997,409		33.81%	2,029,404,688		25.97%
City Total	\$ 14,824,873			\$ 7,814,046,376		

Source: The HdL Company and San Mateo County Assessor 2023/24 & 2014/15 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

City of Foster City and Estero Municipal Improvement District Property Tax Levies and Collections Last Ten Fiscal Years

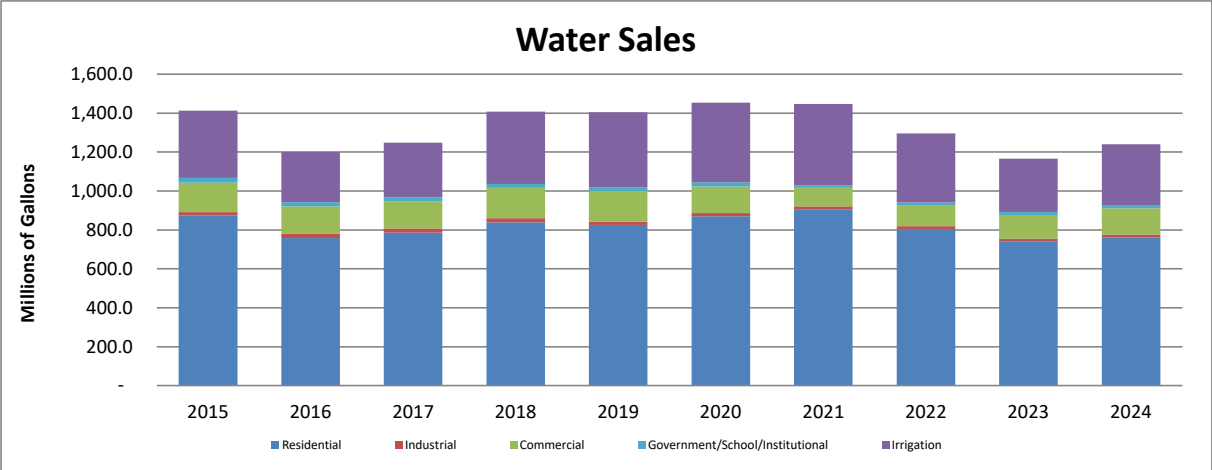
Fiscal Year Ended June 30,	Estimated Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy ³		Amount	Percentage of Levy
2015	20,152,567	20,126,637	99.87%	(11,207)	20,115,431	99.82%
2016	22,149,657	22,043,604	99.52%	(20,905)	22,022,699	99.43%
2017	24,188,847	23,973,655	99.11%	(1,320)	23,972,335	99.10%
2018	26,231,976	26,113,362	99.55%	(39,853)	26,073,509	99.40%
2019	28,275,807	29,782,771	105.33%	(14,773)	29,767,998	105.28%
2020	31,147,215	31,113,654	99.89%	(21,465)	31,092,189	99.82%
2021	33,307,478	34,471,265	103.49%	(15,821)	34,455,444	103.45%
2022	34,101,361	34,738,038	101.87%	2,816	34,740,854	101.88%
2023	35,789,860	37,258,697	104.10%	(22,128)	37,236,569	104.04%
2024	38,195,012	39,030,260	102.19%	-	39,030,260	102.19%

Notes:

- ¹ Information from County of San Mateo Controller's Office based on estimated tax levy
- ² Actual amount received after ERAF contribution
- ³ Percentages may end up more than 100% due to the inclusion of ERAF in the actual amounts collected.

City of Foster City and Estero Municipal Improvement District
Water Sales by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

Type of Customer	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	873.0	758.5	786.8	838.9	825.4	870.0	907.0	804.9	742.6	761.1
Industrial	17.7	23.0	21.1	21.2	16.9	16.0	14.3	14.3	12.8	14.8
Commercial	151.1	140.0	138.9	156.0	157.2	136.7	95.1	105.6	120.6	134.8
Government/School/Institutional	25.9	20.6	20.2	20.6	20.5	20.8	11.3	15.3	15.1	17.3
Irrigation	344.6	258.4	280.4	370.1	384.0	410.1	419.1	355.2	274.5	311.5
Total	1,412.3	1,200.5	1,247.4	1,406.8	1,404.0	1,453.6	1,446.8	1,295.3	1,165.6	1,239.5



Source: Utility Billing of Financial Services Department

City of Foster City and Estero Municipal Improvement District

Water and Wastewater Rates

Last Ten Fiscal Years

Water	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Availability / Meter Charge (per Month)										
5/8 inch	\$ 16.00	\$ 17.25	\$ 18.90	\$ 19.85	\$ 21.45	\$ 23.15	\$ 23.85	\$ 24.80	\$ 26.05	\$ 27.60
3/4 inch	\$ 16.00	\$ 17.25	\$ 18.90	\$ 19.85	\$ 21.45	\$ 23.15	\$ 23.85	\$ 24.80	\$ 26.05	\$ 27.60
1 inch	\$ 28.00	\$ 28.75	\$ 31.50	\$ 33.08	\$ 35.75	\$ 38.58	\$ 39.75	\$ 41.33	\$ 43.42	\$ 46.00
1&1/2 inch	\$ 80.00	\$ 69.00	\$ 75.60	\$ 79.40	\$ 85.80	\$ 92.60	\$ 95.40	\$ 99.20	\$ 104.20	\$ 110.40
2 inch	\$ 128.00	\$ 92.00	\$ 100.80	\$ 105.87	\$ 114.40	\$ 123.47	\$ 127.20	\$ 132.27	\$ 138.93	\$ 147.20
3 inch	\$ 224.00	\$ 201.25	\$ 220.50	\$ 231.58	\$ 250.25	\$ 270.08	\$ 278.25	\$ 289.33	\$ 303.92	\$ 322.00
4 inch	\$ 352.00	\$ 362.25	\$ 396.90	\$ 416.85	\$ 450.45	\$ 486.15	\$ 500.85	\$ 520.80	\$ 547.05	\$ 579.60
6 inch	\$ 672.00	\$ 805.00	\$ 882.00	\$ 926.33	\$ 1,001.00	\$ 1,080.33	\$ 1,113.00	\$ 1,157.33	\$ 1,215.67	\$ 1,288.00
8 inch	\$ 1,056.00	\$ 1,380.00	\$ 1,512.00	\$ 1,588.00	\$ 1,716.00	\$ 1,852.00	\$ 1,908.00	\$ 1,984.00	\$ 2,084.00	\$ 2,208.00
Consumption Charge (per Unit*)										
All Classes										
Single Family Residential										
0-10 units	\$ 2.49	\$ 4.30	\$ 4.72	\$ 5.03	\$ 5.43	\$ 5.59	\$ 5.76	\$ 5.92	\$ 6.10	\$ 6.36
11-20 units	\$ 3.32	\$ 4.30	\$ 4.72	\$ 5.03	\$ 5.43	\$ 5.59	\$ 5.76	\$ 5.92	\$ 6.10	\$ 6.36
> 20 units	\$ 4.98	\$ 4.64	\$ 5.95	\$ 6.06	\$ 6.10	\$ 6.20	\$ 6.41	\$ 6.55	\$ 6.64	\$ 7.01
Multi Family Residential										
0-5 units	\$ 2.49	\$ 4.30	\$ 4.72	\$ 5.03	\$ 5.43	\$ 5.59	\$ 5.76	\$ 5.92	\$ 6.10	\$ 6.36
6-10 units	\$ 3.32	\$ 4.30	\$ 4.72	\$ 5.03	\$ 5.43	\$ 5.59	\$ 5.76	\$ 5.92	\$ 6.10	\$ 6.36
> 10 units	\$ 4.98	\$ 4.67	\$ 5.93	\$ 5.62	\$ 6.10	\$ 6.20	\$ 6.46	\$ 6.57	\$ 6.68	\$ 7.09
Irrigation										
0-100% of annual water budget	\$ 3.32	\$ 4.30	\$ 4.72	\$ 5.03	\$ 5.43	\$ 5.59	\$ 5.76	\$ 5.92	\$ 6.10	\$ 6.36
> 100% of annual water budget	\$ 4.98	\$ 5.65	\$ 7.35	\$ 7.21	\$ 6.47	\$ 6.17	\$ 6.39	\$ 6.51	\$ 6.70	\$ 7.22
Commercial and Fire Line	\$ 3.32	\$ 4.40	\$ 4.97	\$ 5.15	\$ 5.54	\$ 5.70	\$ 5.88	\$ 6.04	\$ 6.21	\$ 6.47
Private Fire Protection Service										
Availability / Meter Charge (per Month)										
3/4 inch	\$ 28.00	\$ 24.15	\$ 26.46	\$ 27.79	\$ 30.03	\$ 32.41	\$ 33.39	\$ 34.72	\$ 36.47	\$ 38.64
1 inch	\$ 28.00	\$ 24.15	\$ 26.46	\$ 27.79	\$ 30.03	\$ 32.41	\$ 33.39	\$ 34.72	\$ 36.47	\$ 38.64
1&1/2 inch	\$ 28.00	\$ 24.15	\$ 26.46	\$ 27.79	\$ 30.03	\$ 32.41	\$ 33.39	\$ 34.72	\$ 36.47	\$ 38.64
2 inch	\$ 44.80	\$ 32.20	\$ 35.34	\$ 37.12	\$ 40.11	\$ 43.29	\$ 44.60	\$ 46.38	\$ 48.71	\$ 51.61
3 inch	\$ 78.40	\$ 70.45	\$ 77.11	\$ 80.99	\$ 87.52	\$ 94.45	\$ 97.31	\$ 101.18	\$ 106.28	\$ 112.61
4 inch	\$ 123.20	\$ 126.80	\$ 138.92	\$ 145.90	\$ 157.66	\$ 170.15	\$ 175.30	\$ 182.28	\$ 191.47	\$ 202.86
6 inch	\$ 235.20	\$ 281.75	\$ 308.64	\$ 324.15	\$ 350.28	\$ 378.04	\$ 389.47	\$ 404.98	\$ 425.40	\$ 450.71
8 inch	\$ 369.60	\$ 483.00	\$ 529.20	\$ 555.80	\$ 600.60	\$ 648.20	\$ 667.80	\$ 694.40	\$ 729.40	\$ 772.80
Wastewater										
Residential (per Month)										
Single Family	\$ 47.00	\$ 51.47	\$ 57.13	\$ 65.27	\$ 74.57	\$ 85.20	\$ 97.34	\$ 111.21	\$ 127.06	\$ 130.87
Townhouse	\$ 39.55	\$ 43.23	\$ 47.99	\$ 54.83	\$ 62.64	\$ 71.57	\$ 81.77	\$ 93.42	\$ 106.73	\$ 109.93
Duplex	\$ 39.55	\$ 43.23	\$ 47.99	\$ 54.83	\$ 62.64	\$ 71.57	\$ 81.77	\$ 93.42	\$ 106.73	\$ 109.93
Apartment / Condominium	\$ 39.55	\$ 43.23	\$ 47.99	\$ 54.83	\$ 62.64	\$ 71.57	\$ 81.77	\$ 93.42	\$ 106.73	\$ 109.93
Commercial (per Unit* of Water Billed)										
Restaurant	\$ 8.54	\$ 9.35	\$ 10.38	\$ 11.86	\$ 13.55	\$ 15.48	\$ 17.69	\$ 20.21	\$ 23.09	\$ 23.78
Miscellaneous	\$ 3.00	\$ 3.29	\$ 3.65	\$ 4.17	\$ 4.76	\$ 5.44	\$ 6.22	\$ 7.11	\$ 8.12	\$ 8.36
Institutional (per Unit* of Water Billed)										
School	\$ 1.69	\$ 2.16	\$ 2.40	\$ 2.74	\$ 3.13	\$ 3.58	\$ 4.09	\$ 4.67	\$ 5.34	\$ 5.50
Church	\$ 1.69	\$ 2.16	\$ 2.40	\$ 2.74	\$ 3.13	\$ 3.58	\$ 4.09	\$ 4.67	\$ 5.34	\$ 5.50
Public Facility	\$ 1.69	\$ 2.16	\$ 2.40	\$ 2.74	\$ 3.13	\$ 3.58	\$ 4.09	\$ 4.67	\$ 5.34	\$ 5.50

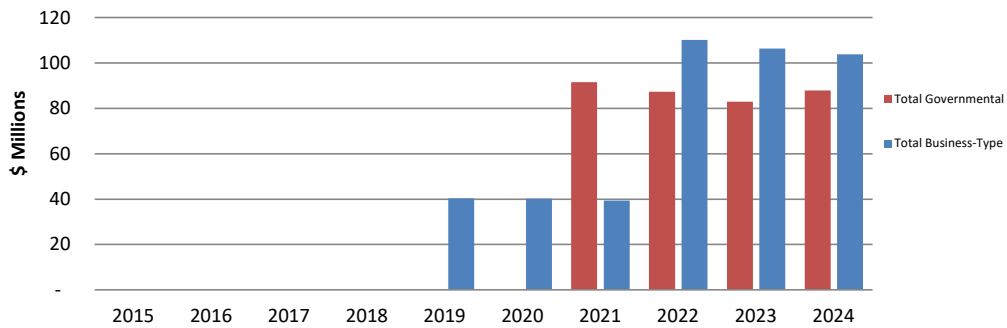
Unit* = 748 Gallons

Source: City of Foster City Financial Services Department

City of Foster City and Estero Municipal Improvement District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Total	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Net Bonded Debt	Per Capita
	General Obligation Bonds	Redevelopment Bonds	Special Assessment Bonds		Wastewater Bonds					
2015	-	-	-	-	-	-	-	n/a	n/a	-
2016	-	-	-	-	-	-	-	n/a	n/a	-
2017	-	-	-	-	-	-	-	n/a	n/a	-
2018	-	-	-	-	-	-	-	n/a	n/a	-
2019	-	-	-	-	-	40,380	40,380	0.019	-	-
2020	-	-	-	-	-	40,155	40,155	0.017	-	-
2021	91,522	-	-	91,522	-	39,414	130,936	0.054	91,522	2,787
2022	87,285	-	-	87,285	-	110,185	197,470	0.080	87,285	2,641
2023	83,003	-	-	83,003	-	106,462	189,465	0.070	83,003	2,538
2024	87,983	-	-	87,983	-	103,884	191,867	0.063	87,983	2,700

Outstanding Debt



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

City of Foster City and Estero Municipal Improvement District Direct and Overlapping Governmental Activities Debt As of June 30, 2024

2023-24 Assessed Valuation: \$14,769,550,675

	Total Debt Outstanding 06/30/24	Percentage Applicable (1)	City's Share of Overlapping Debt 06/30/24
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
San Mateo Community College District	\$682,237,216	4.799%	\$ 32,740,564
San Mateo Union High School District	703,110,767	14.220%	99,982,351
Sequoia Union High School District	488,322,000	0.006%	29,299
San Mateo-Foster City School District	497,628,474	28.317%	140,913,455
Midpeninsula Regional Open Space District	80,700,000	0.003%	2,421
City of Foster City	79,115,000	99.919%	79,050,917
Estero Municipal Improvement District	0	100.000%	0
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 352,719,007
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
San Mateo County General Fund Obligations	\$565,146,635	4.799%	\$ 27,121,387
San Mateo County Board of Education Certificates of Participation	5,735,000	4.799%	275,223
Midpeninsula Regional Park District General Fund Obligations	79,795,600	0.003%	2,394
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,404,654	4.799%	163,389
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 27,562,393
TOTAL DIRECT DEBT			\$ 79,050,917
TOTAL OVERLAPPING DEBT			\$ 301,230,483
COMBINED TOTAL DEBT			\$ 380,281,400

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

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$79,050,917)	0.54%
Total Direct and Overlapping Tax and Assessment Debt	2.39%
Combined Total Debt	2.57%

Source: California Municipal Statistics, Inc.

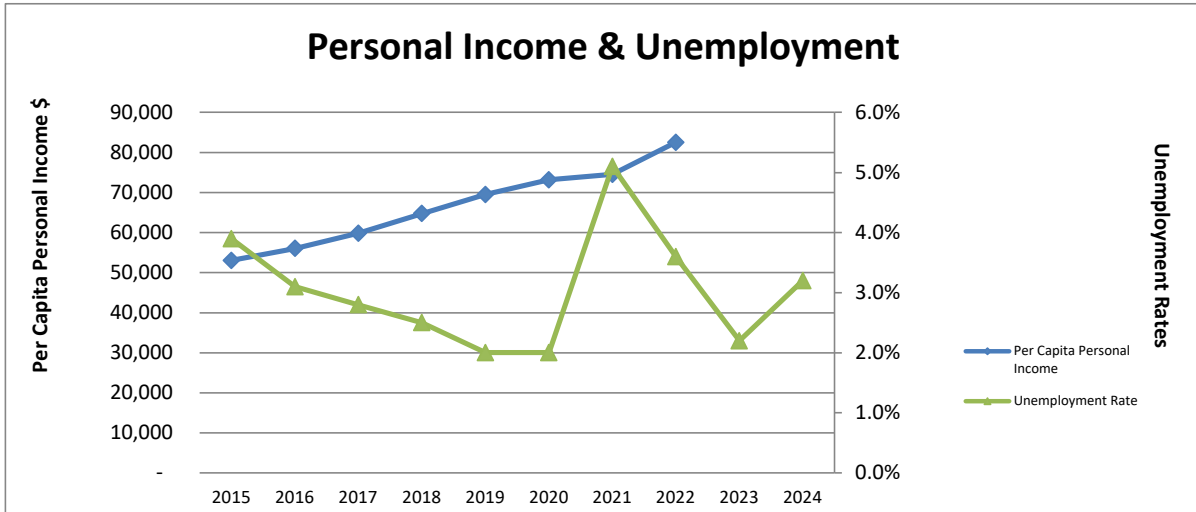
City of Foster City and Estero Municipal Improvement District
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 1,157,114	\$ 1,271,748	\$ 1,389,831	\$ 1,508,177	\$ 1,626,260	\$ 1,792,703	\$ 1,917,784	\$ 1,962,173	\$ 2,065,397	\$ 2,204,019
Total net debt applicable to limit	-	-	-	-	-	-	91,522	87,285	83,003	87,983
Legal debt margin	<u>\$ 1,157,114</u>	<u>\$ 1,271,748</u>	<u>\$ 1,389,831</u>	<u>\$ 1,508,177</u>	<u>\$ 1,626,260</u>	<u>\$ 1,792,703</u>	<u>\$ 1,826,262</u>	<u>\$ 1,874,888</u>	<u>\$ 1,982,394</u>	<u>\$ 2,116,036</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.77%	4.45%	4.02%	3.99%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 15 percent of total assessed property value.

City of Foster City and Estero Municipal Improvement District Demographic and Economic Statistics Last Ten Calendar Years

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2015	32,187	1,759,601	52,998	3.9%
2016	33,201	1,862,311	56,051	3.1%
2017	33,225	2,004,795	59,862	2.8%
2018	33,490	2,181,678	64,751	2.5%
2019	33,693	2,296,218	69,512	2.0%
2020	33,033	2,403,747	73,191	2.0%
2021	32,842	2,464,473	74,554	5.1%
2022	33,056	2,699,128	82,534	3.6%
2023	32,703	3,040,898	93,333	2.2%
2024	32,581	n/a	n/a	3.2%



Sources:

Population: The HdL Company and State Department of Finance
 Personal income: The HdL Company and State Employment Development Department for County of San Mateo
 2000-2009 – Census Block Groups that overlap the City’s boundaries
 2010 and later – US Census Bureau, most recent American Community Survey
 Unemployment Rate: The HdL Company and California Employment Development Department

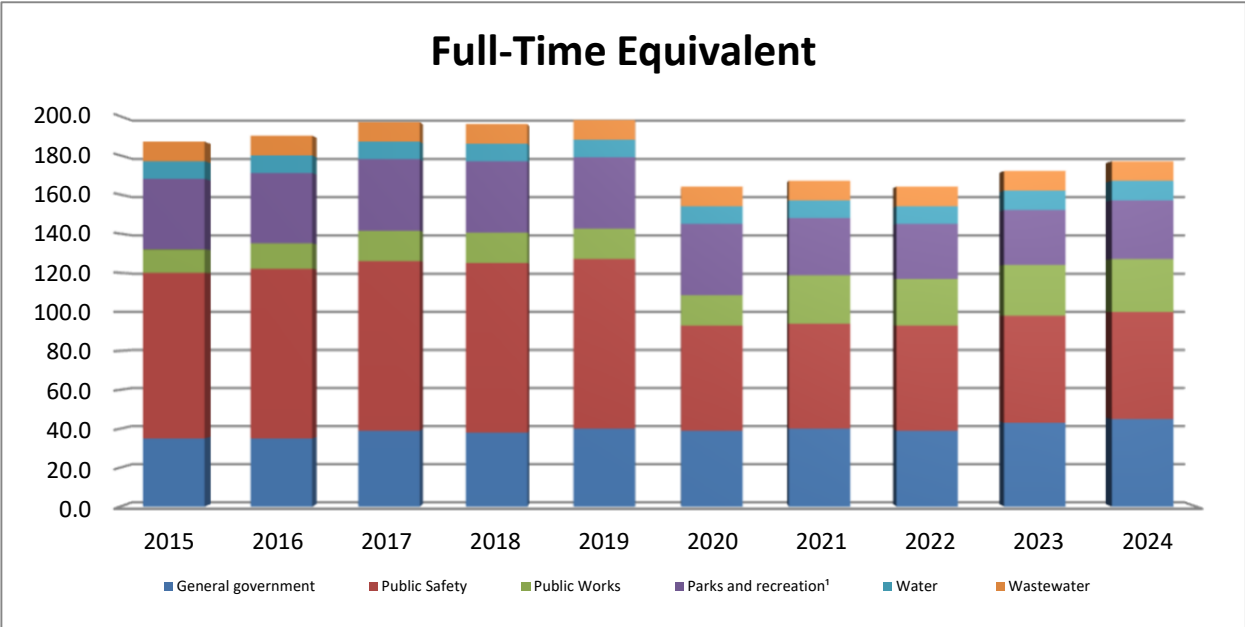
City of Foster City and Estero Municipal Improvement District Principal Employers Current Year and Ten Years Ago

<u>Employer</u>	2024			2015		
	<u>Employees & Contractors</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees & Contractors</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
GILEAD SCIENCES, INC.	7,167	1	36.13%	5,230	1	28.84%
VISA U.S.A. INC.	2,895	2	14.59%	2,469	2	13.61%
ZOOX INC	1,401	3	7.06%			
VISA TECHNOLOGY & OPERATIONS LLC, FKA INOVANT LLC	1,154	4	5.82%	1,649	3	9.09%
CYBERSOURCE CORPORATION	427	5	2.15%			
SLEDGEHAMMER GAMES INC.	338	6	1.70%			
PENINSULA JEWISH COMMUNITY CENTER	300	7	1.51%			
COSTCO WHOLESALE CORPORATION	285	8	1.44%	259	7	1.43%
QUALYS INC	284	9	1.43%			
QUINSTREET, INC.	284	10	1.43%	266	6	1.47%
GUIDEWIRE SOFTWARE, INC.				548	4	3.02%
IBM CORPORATION				425	5	2.34%
ACTIVE ACQUISITION PARTNERS				257	8	1.42%
CITY OF FOSTER CITY				244	9	1.35%
ZUORA, INC.				228	10	1.26%
Top Ten Total	14,535		73.26%	11,575		63.83%
City Total	19,837			18,136		

Source: 2015 and 2024 Business License Database of Financial Services Department

City of Foster City and Estero Municipal Improvement District Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
Management services	13.0	13.0	14.0	14.0	15.0	15.0	16.0	16.0	18.0	18.0
Finance	9.0	9.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0
Planning	7.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	9.0	11.0
Building	6.0	6.0	7.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0
Police										
Officers	37.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Civilians	13.0	15.0	15.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0
Fire										
Firefighters and officers	33.0	32.0	32.0	31.0	31.0	0.0	0.0	0.0	0.0	0.0
Civilians	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
Other public works										
Engineering	4.0	5.0	6.0	6.0	6.0	6.0	7.0	7.0	8.0	8.0
Other ¹	8.0	8.0	9.5	9.5	9.5	9.5	17.7	16.8	18.0	19.0
Parks and recreation ¹	36.0	36.0	36.5	36.5	36.5	36.5	29.3	28.2	28.0	30.0
Water	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0
Wastewater	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	187.0	190.0	197.0	196.0	198.0	164.0	167.0	164.0	172.0	177.0



Source: City Budget

Notes: ¹ In January 2020, a reorganization was made whereby the Building Maintenance and Vehicle Replacement Divisions were transferred from Parks and Recreation Department to Public Works Departments.

City of Foster City and Estero Municipal Improvement District Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	572	576	444	489	526	275	226	252	262	409
Parking violations	552	816	972	490	695	250	259	299	457	735
Traffic violations	2,078	1,746	1,661	1,757	1,427	710	256	396	629	979
Fire¹										
Emergency responses	2,123	1,978	1,944	2,180	1,976	2,155	2,068	2,270	2,373	2,436
Fires extinguished	24	47	34	45	24	29	36	35	32	30
Inspections	1,201	1,102	1,080	1,100	1,040	647	348	333	313	281
Other public works										
Street resurfacing (miles)	2	2	5	5	4	1	4	3	4	5
Potholes repaired	32	35	27	120	105	66	46	97	86	75
Parks and recreation										
Athletic field permits issued	60	86	91	95	115	138	195	181	178	197
Community center admissions	3,794	5,611	5,546	5,773	5,912	4,103	2,691	5,171	5,674	4,856
Water										
New connections	13	26	28	7	39	18	16	23	40	20
Water mains breaks	6	17	4	22	21	15	9	9	10	9
Average daily consumption (thousands of gallons)	3,956	3,623	3,810	4,232	4,041	4,100	3,912	4,065	3,820	3,715
Peak daily consumption (thousands of gallons)	6,624	5,047	7,760	7,688	5,577	5,460	7,795	7,802	6,473	6,482
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,040	2,350	2,430	2,390	2,457	2,356	1,979	2,483	2,360	1,962

Sources: Various city departments

Notes: ¹ Foster City Fire Department was separated from the City on 01/13/2019. Fire Employees were transferred to San Mateo Consolidated Fire Department. However, data presented is for the full fiscal year (services was performed by Foster City Fire Department up to 1/12/2019 and San Mateo Consolidated Fire started from 1/13/2019).

City of Foster City and Estero Municipal Improvement District Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	10	10	10	10	10	10	10	10	10	10
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Streetlights	2,031	2,025	2,025	2,022	2,022	2,022	2,022	2,022	1,992	1,992
Traffic signals	25	25	25	27	27	27	27	27	31	31
Parks and recreation										
Acreage	221	221	221	221	221	221	221	221	221	221
Playgrounds	21	21	21	21	21	21	21	21	21	21
Baseball/softball diamonds	8/3	8/3	8/3	8/3	8/3	8/3	8/3	8/3	8/3	8/3
Soccer/football fields	10/0	10/0	10/0	10/0	10/0	10/0	10/0	10/0	10/0	10/0
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	114	114	114	114	114	114	114	114	114	114
Fire hydrants	1,110	1,110	1,110	1,110	1,109	1,111	1,111	1,111	1,106	1,106
Storage capacity (thousands of gallons)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Wastewater										
Sanitary Sewer (miles)	65	65	65	65	65	65	65	65	65	65
Treatment capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Stormwater (miles)	81	81	81	81	81	81	81	81	81	81
Transit–minibuses	1	1	1	1	1	-	-	-	-	-

Sources: Various city departments

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**City of
Foster City and Estero
Municipal
Improvement District**

**Measure A Fund
Foster City, California**

*Independent Accountant's Report on Compliance
with the Agreement for Distribution of San Mateo
County Measure A Funds For Local Transportation
Purposes*

For the year ended June 30, 2024

City of Foster City and Estero Municipal Improvement District
Measure A Transportation Fund
For the year ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor and Members of the City Council of the City of Foster City
and the Board of Directors of the Estero Municipal Improvement District
Foster City, California

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes in accordance with the Measure A Agreement* (the Agreement) between the City of Foster City and Estero Municipal Improvement District (City/District) and the San Mateo County Transportation Authority entered into on August 18, 1989 and extended on January 1, 2009, and that the City complied with the requirements of the Agreement during the year ended June 30, 2024. The City/District's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion that the City/District complied with the requirements of the Agreement is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the accompanying Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are in compliance with the Agreement, and that the City/District complied with the requirements of the Agreement for the year ended June 30, 2024 is fairly stated in all material respect.

Badawi and Associates, CPAs
Berkeley, California
November XX, 2024

City of Foster City and Estero Municipal Improvement District
Measure A Transportation Fund
Balance Sheet
June 30, 2024

Assets

Cash and investments	\$ 5,143,432
Taxes receivables	<u>69,183</u>
Total Assets	<u>\$ 5,212,615</u>

Fund Balance:

Restricted for Measure A	<u>\$ 5,212,615</u>
Total Fund Balance	<u>\$ 5,212,615</u>

City of Foster City and Estero Municipal Improvement District
Measure A Transportation Fund
Statement of Revenues, Expenditures and Changes In Fund Balance
For the year ended June 30, 2024

Revenues

Sales and Use Taxes	\$ 926,490
Interest Income (loss)	<u>257,021</u>
Total Revenues	<u>\$ 1,183,511</u>

Expenditures

Capital Improvement	<u>657,846</u>
Total expenditures	<u>657,846</u>

Revenues over (under) expenditures	525,665
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Fund Balance

Beginning of the year	<u>4,686,950</u>
End of the year	<u><u>\$ 5,212,615</u></u>

November 1, 2024

San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, California 94070

Re: Management's Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes

The City of Foster City and the Estero Municipal Improvement district (City/District) is responsible for complying with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes* (the Agreement) between the City/District and the San Mateo County Transportation Authority entered into on August 18, 1989 and extended on January 1, 2009. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transaction and use tax approved by *Measure A - San Mateo County Transportation Expenditure Plan* (the Measure), the City, in use of these funds, shall "refrain from substituting funds provided to it pursuant to this Agreement for property tax funds which are currently being used to fund existing local transportation programs and limit the use of said funds to the improvement of local transportation, including streets and road improvements."

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2024:

- Management is responsible for establishing and maintaining an effective internal control with respect to compliance with the Agreement.
- Management is responsible for complying with the Agreement.
- Management has evaluated the City/District's compliance with requirements of the Agreement; and
- All Transactions, as summarized in the preceding Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the fiscal year ended June 30, 2024, are in compliance with the Agreement.

Stefan Chatwin
City Manager

Waqas Hassan
Assistant Finance Director

**City of
Foster City and Estero
Municipal
Improvement District**

Measure W Fund
Foster City, California

*Independent Accountant's Report on Compliance
with the Agreement for Distribution of San Mateo
County Measure W Funds for Local Transportation
Purposes*

For the year ended June 30, 2024

**City of Foster City and Estero Municipal Improvement District
Measure W Transportation Fund
For the year ended June 30, 2024**

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor and Members of the City Council of the City of Foster City
and the Board of Directors of the Estero Municipal Improvement District
Foster City, California

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes in accordance with the Measure W Agreement* (the Agreement) between the City of Foster City and Estero Municipal Improvement District (City/District) and the San Mateo County Transportation Authority entered into on December 2, 2019, that the City complied with the requirements of the Agreement during the year ended June 30, 2024. The City/District's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the assertion based upon our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion that the City/District complied with the requirements of the Agreement is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the accompanying Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance complied with the Agreement, and that the City/District complied with the requirements of the Agreement for the year ended June 30, 2024 is fairly stated in all material respects.

Badawi and Associates, CPAs
Berkeley, California
November 1, 2024

City of Foster City and Estero Municipal Improvement District
Measure W Transportation Fund
Balance Sheet
For the year ended June 30, 2024

Assets:

Cash and investments	\$ 1,401,335
Taxes receivables	<u>70,213</u>
Total Assets	<u><u>\$ 1,471,548</u></u>

Fund Balance:

Restricted for Measure W	<u>1,471,548</u>
Total Fund Balance	<u><u>\$ 1,471,548</u></u>

City of Foster City and Estero Municipal Improvement District
Measure W Transportation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2024

Revenues:

Sales and Use Taxes	\$ 409,000
Interest Income (loss)	<u>67,880</u>
Total Revenues	<u>476,880</u>

Expenditures:

Capital Improvements	<u>240,216</u>
Total expenditures	<u>240,216</u>

Revenues over (under) expenditures	236,664
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Fund Balance:

Beginning of the year	<u>1,234,884</u>
End of the year	<u>\$ 1,471,548</u>

November XX, 2024

San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, California 94070

Re: Management's Report on Compliance with the Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes

The City of Foster City and the Estero Municipal Improvement District (City/District) is responsible for complying with the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes* (Agreement) between the City/District and the San Mateo County Transportation Authority entered into December 2, 2019. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transaction and use tax approved by *Measure W – San Mateo County Transportation Expenditure Plan* (the Measure), the City/District, in use of these funds, shall “refrain from substituting funds provided to it pursuant to this Agreement for property tax funds which are currently being used to fund existing local transportation programs and limit the use of said funds to the improvement of local transportation, including streets and road improvements.”

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2024:

- Management is responsible for establishing and maintaining an effective internal control with respect to compliance with the Agreement.
- Management is responsible for complying with the Agreement.
- Management has evaluated the City/District's compliance with requirements of the Agreement; and
- All Transactions, as summarized in the preceding Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the fiscal year ended June 30, 2024, are in compliance with the Agreement.

Stefan Chatwin
City Manager

Waqas Hassan
Assistant Finance Director

City of Foster City and Estero Municipal Improvement District
Appropriations Limit Schedule
For the fiscal year ending June 30, 2025

	City	District	Total	Source
A. Appropriations limit for the year ended June 30, 2024	\$ 90,819,359	\$ 85,064,827	\$ 175,884,186	Prior year schedule
B. Calculation Factors:				
1. Population increase %	0.9950	0.9950	0.9950	State Department Finance
2. Inflation increase%	1.0362	1.0362	1.0362	State Department Finance
3. Total adjustment factor %	1.0310	1.0310	1.0310	B3=B1*B2
C. Annual Adjustment Increase	2,815,400	2,637,010	5,455,752	[(B3-1)*A]
D. Other Adjustments	-	-	-	N/A
Loss responsibility (-)	-	-	-	N/A
Transfers to private (-)	-	-	-	N/A
Transfers to fee (-)	-	-	-	N/A
Assumed responsibility (+)	-	-	-	N/A
E. Total Adjustments	2,815,400	2,637,010	5,455,752	(C+D)
F. Appropriations limit for the year ending June 30, 2025	<u>\$ 93,634,759</u>	<u>\$ 87,701,837</u>	<u>\$ 181,339,938</u>	(A+E)