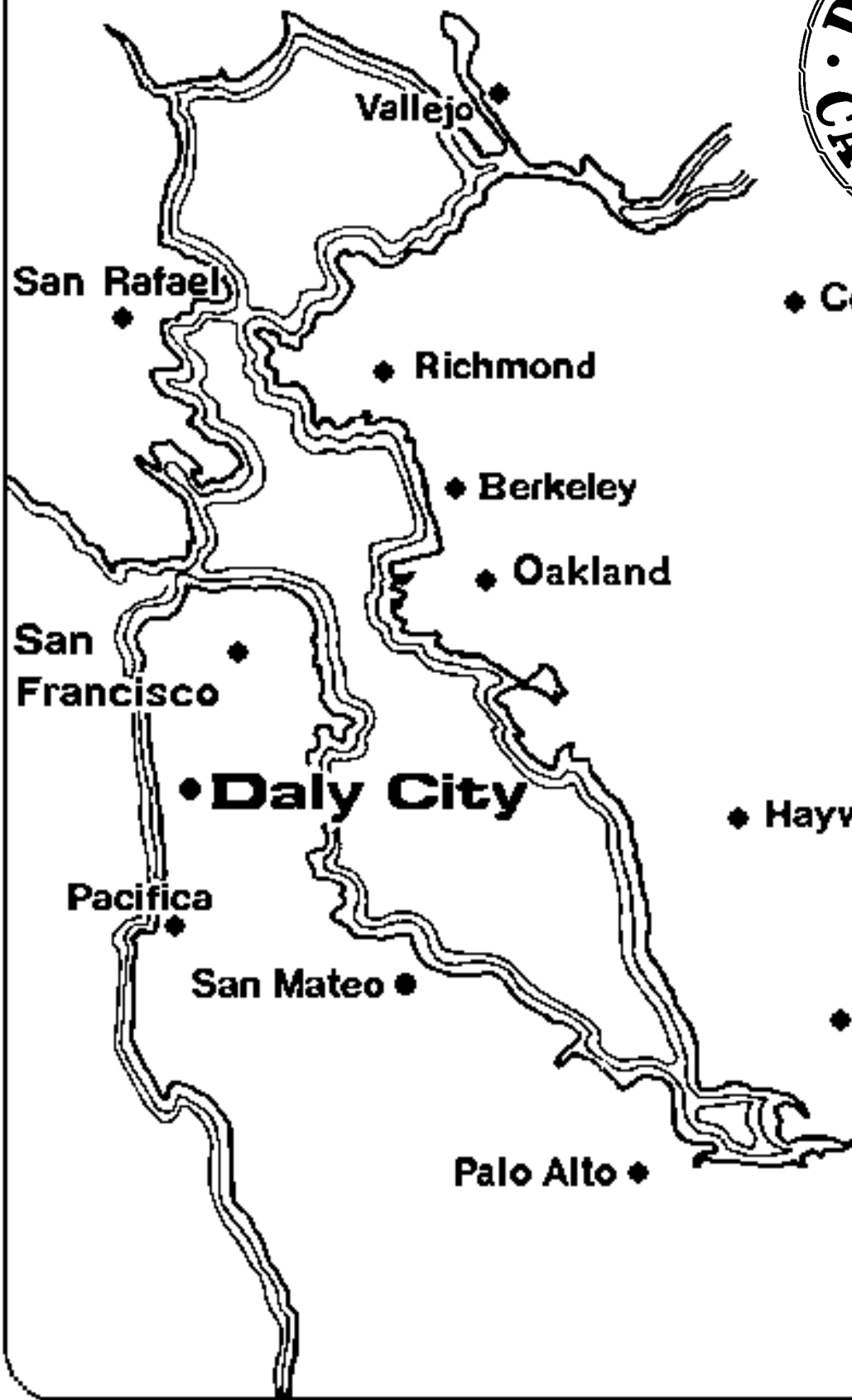


COMPREHENSIVE

**ANNUAL
FINANCIAL
REPORT**

**GATEWAY
TO THE
PENINSULA
CITY OF DALY CITY
CALIFORNIA**

for the FISCAL YEAR ended June 30, 2009



◆ Concord

◆ Richmond

◆ Berkeley

◆ Oakland

San Rafael

San Francisco

◆ **Daly City**

Pacifica

San Mateo

Palo Alto

◆ Hayward

◆ Fremont

San Jose

CITY OF DALY CITY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED

JUNE 30, 2009



Prepared by

**DEPARTMENT OF FINANCE
AND
ADMINISTRATIVE SERVICES**

**Donald W. McVey
Director**



CITY OF DALY CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

I INTRODUCTORY SECTION

Page

Letter of Transmittal	vii
Organizational Structure	xiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvi

II FINANCIAL SECTION

<i>Independent Auditor's Report on the Basic Financial Statements</i>	1
<i>Management's Discussion and Analysis</i>	3
<i>Basic Financial Statements:</i>	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balance	18

CITY OF DALY CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	Page
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds with the Statement of Activities.....	19
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund	20
Gas Tax Special Revenue Fund.....	22
Redevelopment Agency Special Revenue Fund	23
Proprietary Funds:	
Statement of Net Assets	24
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	25
Statement of Cash Flows.....	26
Fiduciary Funds:	
Statement of Fiduciary Net Assets.....	27
Notes to Basic Financial Statements.....	29

Supplemental Information:

Major Governmental Funds Other Than the General and Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:

Capital Projects Fund	62
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CITY OF DALY CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	Page
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	66
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	68
<i>Nonmajor Proprietary Funds:</i>	
Combining Statement of Net Assets	74
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	75
Combining Statement of Cash Flows.....	76
<i>Internal Service Funds:</i>	
Combining Statement of Net Assets.....	78
Combining Statement of Revenues, Expenses and Changes in Net Assets	80
Combining Statement of Cash Flows	82
<i>Agency Funds:</i>	
Combining Statement of Changes in Assets and Liabilities	86

CITY OF DALY CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

III STATISTICAL SECTION

	Page
Net Assets by Component - Last Seven Fiscal Years	91
Changes in Net Assets - Last Seven Fiscal Years	92
Fund Balances of Governmental Funds - Last Ten Fiscal Years	95
Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years	96
Assessed Value of Taxable Real Property - Last Ten Fiscal Years	98
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	99
Principal Property Tax Payers – Current Year and Nine Years Ago	100
Property Tax Levies and Collections – Last Ten Fiscal Years	101
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	102
Computation of Direct and Overlapping Debt	103
Computation of Legal Bonded Debt Margin	104
Revenue Bond Coverage: Sanitation District Certificates of Participation – Last Ten Fiscal Years	105
Revenue Bond Coverage: Water Utility District Certificates of Participation – Last Four Fiscal Years	106
Demographic and Economic Statistics - Last Ten Fiscal Years	107
Principal Employers – Current Year and Nine Years Ago	108
Full-Time City Government Employees by Function – Last Ten Fiscal Years	109
Operating Indicators by Function/Program – Last Ten Fiscal Years	110
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	112



CITY OF DALY CITY

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

October 23, 2009

Honorable Mayor
Members of the City Council
Citizens of Daly City

We are pleased to submit the Comprehensive Annual Financial Report of the City of Daly City for the fiscal year ended June 30, 2009. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

This report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making these representations the City has established a comprehensive system of internal controls that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive system of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City Council contracts for an annual audit of the books of accounts, financial records and transactions of City departments, divisions and functions by the firm of Maze and Associates, Certified Public Accountants. The audit is complete and the accounting firm's unqualified report is presented as the first component of the financial section of this comprehensive annual financial report. The goal of such an audit is to provide reasonable assurance that these financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the City; and evaluating the overall financial statement presentation. The results of that audit concluded that these financial statements are fairly presented in conformity with GAAP.

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

GAAP requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements referred to as Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to supplement and complement the MD&A and should be read in conjunction with it.

PROFILE OF THE CITY OF DALY CITY

The City of Daly City is located at the northern edge of San Mateo County. A population of 106,000 is contained within approximately 7.6 square miles of substantially developed land. The City is considered the "Gateway to the Peninsula", as it is strategically placed directly south of San Francisco.

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

The City provides a full range of municipal services. These include police, fire, library, recreation and related social services, street construction and maintenance, traffic signalization and control, engineering, code enforcement, parks operations and maintenance, general administration, planning, and community development. The City also provides water services, sanitary sewer services, and a transfer station for solid waste under an enterprise fund system, with user fees covering the cost of providing the programs.

This report includes all funds and accounts of the City of Daly City. The financial statements include the financial activities of the City, the Daly City Redevelopment Agency, and the North San Mateo County Sanitation District. The financial operations of the City and the other entities included in this financial report are closely related. City Council members serve as the governing board of the Redevelopment Agency and of the North San Mateo County Sanitation District. The City Manager also serves as the Executive Director of the Redevelopment Agency and as the General Manager of the Sanitation District. The Sanitation District is included in the proprietary fund types as an enterprise fund.

The biennial budget serves as the foundation of the City of Daly City's system of financial planning and control. City departments are responsible for submitting draft budgets to the City Manger for review and development of the City-wide budget document. This preliminary budget is presented to the City Council by the City Manager and reviewed with the City Council during public budget study sessions. Changes as directed by the City Council are made and the budget is submitted for final adoption before July 1, the beginning of the next budget year. Individual budgets for each of the two years covered by the biennial budget are appropriated separately. Departments are responsible for managing within the City Council appropriated budget. Midbudget amendments are

normally necessary due to changes in economic conditions and other circumstances occurring during the first year of the biennial budget.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Since January of this year words like “unprecedented,” “the new normal,” and “paradigm shift,” have been applied to the revenue picture for local governments nationwide. This is especially true in California, where property values have plummeted and retail sales are even worse. Here in San Mateo County it was thought one year ago that we might be relatively immune from the downturn in property values and loss of revenue. However, last February we learned that this would not be the case. As a result of significant declines in home prices (in the neighborhood of 30%), the County Assessor instituted a revaluation of all single family homes in the County for sales from 2002 to 2008. The end result is that for the coming 2010 fiscal year Daly City’s property tax revenues are anticipated to decline by 4.6%. Given that the budget for 2010 called for a 5% increase in our largest General Fund revenue source, it will be a substantial blow to revenue. It is also one that will likely take many years to recover from.

Along with the declines in property tax we have seen a serious reduction in local sales tax revenue. Total General Fund sales tax declined 7.8% in fiscal 2009, and continues to decline in the first quarter of fiscal 2010 by 15% percent over the same period in fiscal 2009. Overall, we are anticipating that the 2010 decline in sales tax will result in approximately 10% less revenue than in fiscal 2009. This decline is likely to be a new constant. Looking back as far as fiscal 2008, we see weakness in general retail sales. Unlike in fiscal 2008 where general declines were offset by very high gas prices, that is no longer the case, and the level of local sales will likely not recover soon.

As a result of the depth, breadth, and speed of the declines in General Fund revenues, the City found it necessary to take unprecedented actions in order to balance the fiscal 2009 budget. Substantial short-term wage and salary reductions were negotiated with all of the City’s labor groups. Wage freezes, unpaid furlough days, and a number of other creative methods were employed to help balance costs with income. With an extraordinary effort, the City’s General Fund was essentially balanced in fiscal 2009. These concessions will extend into the next fiscal year.

As we go forward into fiscal 2010, the challenge is to develop a 2010-11/2011-12 biennial budget that is sustainable. In the short run we have had to take a crisis approach in order to make things balance, but short-term cost cutting is not workable in the long run.

With the constraints now becoming clear, the City embarked on the budget process six months sooner than usual. Given the sweeping nature of the changes we must likely undergo, citizen involvement is a very important part of the process. We have held a number of civic engagement meetings to get feedback from the community about what their priorities are for services that they receive from their local government and the results have been very positive.

Along with the community, our employees are an essential component in moving to a sustainable service model. In addition to soliciting input from our citizens, we have asked the employees to share their views about what they believe our core services to be. They are the experts in their own areas, so who better to be able to suggest new ways to gain efficiencies and be more effective in the services we provide to the community.

The goal is to preserve the right services, in the right balance, to meet the most important needs of the community in a way that is consistent with the core mission of local government in California.

The City's two major enterprise funds, the Water Utility and Sanitation District, have experienced continually increasing costs. This is due to additional regulatory requirements, along with State fees not previously levied or dramatically increased as a result of the State budget problems. The water utility, in particular, is experiencing continued price increases on water purchased from the City and County of San Francisco. With San Francisco's multibillion dollar renovation of the Hetch Hetchy system occurring over the next ten years, purchased water will continue to cost more every year, resulting in increasing rates to our residents. On the plus side, we continue to pump local well water for about half of the community's needs, which somewhat mitigates the need for rate increases.

Both the water utility and the Sanitation District, whose charges are based on winter water usage, are dependent on how much water is consumed. In turn, consumption level is dependent on water availability (both how much it rains, and if not, whether we experience drought conditions), and conservation measures. With no rate increases this year and no increase in consumption, revenues for both utilities remain static.

Long-term Financial Planning

Beginning with the 2008-09/2009-10 Biennial Budget, we have extended the planning horizon to 20 years in the Capital Plan. The next five year period will be one of relatively low activity, typical of capital activity levels in Daly City. We anticipate using this period to reflect on our major upcoming capital needs and the methods that might be available to fund them.

The water utility continues to move forward with a major improvement project in the Bayshore District. A replacement reservoir with substantially increased capacity along with a new pump station and piping is under construction and will increase the capability for delivery to the developments in the area. These improvements to water delivery capacity will allow for future development in this area of the City when the economy inevitably recovers.

Cash Management

The City is allowed a wide range of investment opportunities under State law. Some of the options are U.S. Treasury securities, notes or bonds of other government agencies within the State, bankers acceptances and commercial paper, certificates of deposit, repurchase or reverse repurchase agreements, medium-term notes issued by U.S. Corporations, mutual funds which invest exclusively in otherwise allowed investments, the State Treasurer's Local Agency Investment Fund, and the County of San Mateo Investment Pool. Pooled investments at year-end consisted primarily of the State Treasurer's Local Agency Investment Fund, certificates of deposit, and the San Mateo County Treasurer's Investment Pool. These were the primary investment vehicles throughout the fiscal year. Investment income includes any adjustment necessary to bring the portfolio to fair value for financial reporting purposes. However, it is the City's practice and policy to hold all investments until maturity, so any temporary market gain or loss is unlikely to be realized.

Risk Management

The City's self-insurance programs cover general, auto, property and specialty liability, unemployment benefits, and workers' compensation. Most recurring program costs are paid through annual charges assessed to every City department, with additional funding provided from reserve fund investment income. The City uses purchased insurance in excess of self-insured deductibles to mitigate any potential losses. The City also employs various risk reduction techniques, including employee safety training and an employee safety committee that evaluates each on-the-job injury and makes constructive suggestions to help prevent future injuries.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Daly City for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the 22nd consecutive year that the City of Daly City has received this prestigious award. In order to be awarded a Certificate of Achievement, as government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

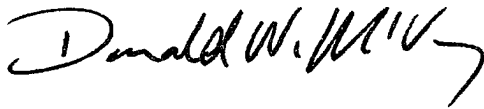
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Comprehensive Operating and Capital Budget for the 1991 through 2009 fiscal years. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

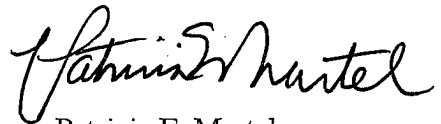
ACKNOWLEDGMENT

The Department of Finance and Administrative Services sincerely appreciates the support, cooperation, and assistance of the City Council and City staff in addressing the financial concerns of fiscal year 2009. Special acknowledgment is due the staff of the Accounting Division for their continued outstanding level of performance, allowing this report to continue to meet the highest standards of financial reporting.

Respectfully submitted,



Donald W. McVey
Director of Finance
and Administrative Services



Patricia E. Martel
City Manager



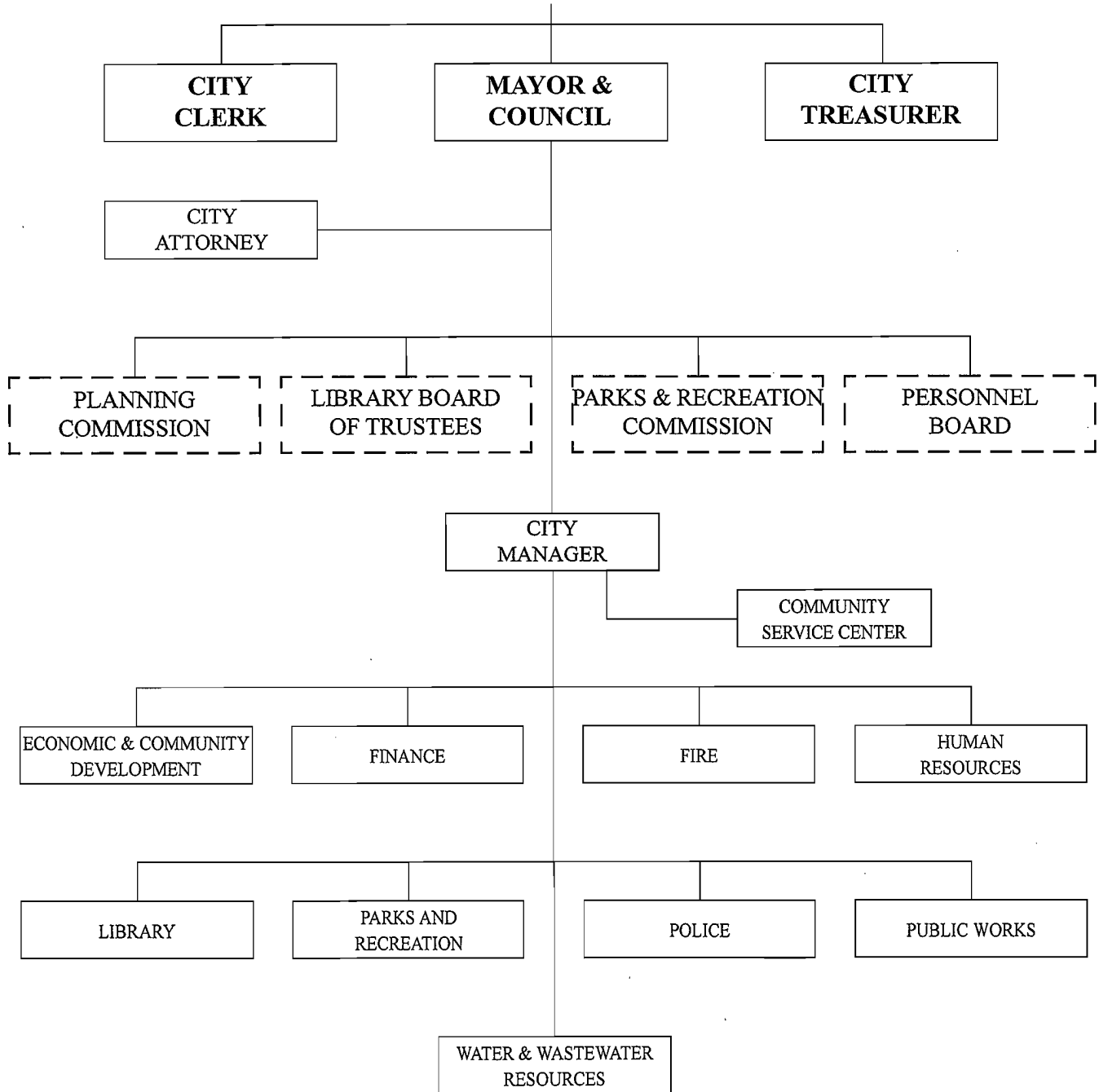


City of Daly City

ORGANIZATION STRUCTURE

Fiscal Years 2008-2009

CITIZENS OF DALY CITY



----- ADVISORY BOARDS & COMMISSIONS

**CITY OF DALY CITY
CITY COUNCIL
JUNE 30, 2009**

Sal Torres, Mayor

Michael P. Guingona, Vice Mayor

David Canepa

Maggie Gomez

Carol L. Klatt

Anthony J. Zidich
City Treasurer

K. Annette Hipona
City Clerk

ADMINISTRATION AND DEPARTMENT HEADS

Patricia E. Martel

Rose Zimmerman

Ron Myers

Gary S. McLane

Carol Simmons

John Fuller

Shawna Marques-Maltbie

Michael F. Stallings

Patrick Sweetland

Donald W. McVey

Richard Berger

City Manager

City Attorney

Fire Chief

Interim Police Chief

Library Director

Director of Public Works

Director of Human Resources

Director of Parks & Recreation

Director of Water & Wastewater Resources

Director of Finance and Administrative Services

Director of Economic & Community Development

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Daly City
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title.

President

A handwritten signature in black ink, reading "Jeffrey R. Emery", is written above the title.

Executive Director

ACCOUNTANCY CORPORATION
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maze@mazeassociates.com
www.mazeassociates.com

**INDEPENDENT AUDITORS' REPORT ON
THE BASIC FINANCIAL STATEMENTS**

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

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 Daly City, California as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Daly City, California as of June 30, 2009 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2009 on our consideration of the City of Daly City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note 8 effective in fiscal 2008-09, the City implemented the provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Maze & Associates

October 23, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Daly City's financial results provides an overview of the City's financial activities for the year ended June 30, 2009.

FISCAL 2009 FINANCIAL HIGHLIGHTS

- At June 30, 2009, net assets totaled \$253.8 million, a decrease of \$4.4 million from the prior year total of \$258.2 million.
- Total City revenues, including program and general revenues, were \$115.0 million, while total expenses were \$119.3 million in fiscal 2009. Total capital assets increased by \$0.5 million.
- Net assets of governmental activities were \$156.4 million, while net assets of business-type activities were \$97.4 million.
- Governmental program revenues were \$21.4 million compared with \$23.5 million in fiscal 2008. Business-type program revenues were \$30.6 million compared with \$32.9 million in fiscal 2008.
- Governmental general revenues of \$60.6 million represent a decrease of \$2.0 million from the prior year. Business-type general revenues were \$2.3 million, a decrease of \$0.7 million from the prior year.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three sections:

- 1) Introductory Section, containing the Transmittal Letter and miscellaneous other information
- 2) Financial Section, containing the Independent Auditors' Report, Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the Notes to these financial statements, Required Supplemental Information, and Combining Statements for Nonmajor Governmental Funds and Fiduciary Funds
- 3) Statistical Section containing financial trend data and general statistical information about the City

The Basic Financial Statements

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

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

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

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

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

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

The Government-wide Financial Statements

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

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

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

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB 34 and replaces the concept of combining funds by fund type and presenting them in total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

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

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

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

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

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

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

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

**Table 1
Net Assets at June 30
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Cash and investments	\$ 65,081	\$ 62,920	\$ 29,434	\$ 32,157	\$ 94,515	\$ 95,077
Other assets	53,973	60,356	5,041	5,010	59,014	65,366
Capital assets	<u>95,536</u>	<u>97,353</u>	<u>77,939</u>	<u>75,632</u>	<u>173,475</u>	<u>172,985</u>
Total assets	<u>214,590</u>	<u>220,629</u>	<u>112,414</u>	<u>112,799</u>	<u>327,004</u>	<u>333,428</u>
Long-term liabilities	41,426	42,374	11,801	13,231	53,227	55,605
Other liabilities	<u>16,724</u>	<u>17,000</u>	<u>3,217</u>	<u>2,643</u>	<u>19,941</u>	<u>19,643</u>
Total liabilities	<u>58,150</u>	<u>59,374</u>	<u>15,018</u>	<u>15,874</u>	<u>73,168</u>	<u>75,248</u>
Net assets:						
Invested in capital assets, net of related debt	91,355	92,883	66,137	62,401	157,492	155,284
Restricted	13,105	13,869	5	4,219	13,110	18,088
Unrestricted	<u>51,980</u>	<u>54,503</u>	<u>31,254</u>	<u>30,305</u>	<u>83,234</u>	<u>84,808</u>
Total net assets	<u>\$ 156,440</u>	<u>\$ 161,255</u>	<u>\$ 97,396</u>	<u>\$ 96,925</u>	<u>\$ 253,836</u>	<u>\$ 258,180</u>

Governmental Activities

The City’s net assets from governmental activities decreased \$4.8 million (3.0 percent) to \$ 156.4 million in 2009 from \$161.2 million in 2008. This decrease is the Change in Net Assets reflected in the Statement of Activities, as shown in Table 2, and is explained below.

- Cash and investments increased \$2.2 million principally as a result of increases in franchise fees, fines and forfeitures, and AB1600 public facility fees, and the receipt in 2009 of \$0.7 million investment earnings that were accrued in June 2008. Other individual increases and decreases are not considered material.
- Other assets decreased \$6.4 million primarily due to the transfer to Habitat for Humanities of two parcels of property held for redevelopment costing \$3.2 million, the \$1.6 million amortization of prepaid PERS contributions and the receipt in 2009 of \$0.7 million investment earnings that were accrued in June 2008. Other individual increases and decreases are not considered material.
- Capital assets decreased \$1.8 million mainly due to the excess of depreciation over capital asset additions. This decrease in capital assets was accompanied by a \$1.5 million decrease in net assets invested in capital assets.

- Restricted net assets decreased \$0.8 million and unrestricted net assets decreased \$2.5 million. Unrestricted net assets of \$52.0 million are available to finance on-going operations, before allowance for such things as cash flow requirements and other planned but not legally committed expenditures.

Business-type Activities

The net assets of business-type activities increased \$0.5 million (0.5 percent) to a total of \$97.4 million in fiscal 2009 from \$96.9 million in 2008. Increases and decreases of individual assets and liabilities are not considered material.

- Cash and investments decreased \$2.7 million due to lower enterprise fund revenues, particularly water sales & sewer service charges, accompanied by higher enterprise fund expenses, particularly salaries and benefits and capital outlay.
- Long-term liabilities decreased \$1.4 million due to payments made on both the Water Utility and Sanitation District Certificates of Participation.
- The City continues to invest in infrastructure and major capital improvements in its enterprise funds including replacing reservoir 2B and installing an emergency generator in the plant. The excess of the capital asset additions over depreciation expense resulted in the \$2.3 million net increase in net capital assets during 2009. This was accompanied by a \$3.7 million increase in net assets invested in capital assets net of related debt.
- Restricted net assets decreased \$4.2 million due to the complete drawdown in 2009 of the cash held by the trustees for the Water Utility and Sanitation District Certificates of Participation. Unrestricted net assets increased \$0.9 million.

CHANGES IN NET ASSETS

Table 2 shows that total revenues decreased \$7.1 million (5.8 percent) in fiscal 2009. This decrease is the result of \$0.9 million decrease in sales tax resulting mainly from the recession which lead to closures of stores like Mervyns and Circuit City, the one-time receipt in 2008 of \$1.7 million Prop 1B funds, the \$1.4 million decrease in investment earnings, the \$1.7 million share on the loss in value of investments on Lehman Brothers, the \$0.6 million decrease in federal grants for public safety, and the decreases in water sales and sewer service charges. These decreases were offset by \$0.6 million increase in franchise fees, the \$0.5 million increase in fines and forfeitures, and the \$0.4 million increase in fire fees. Other individual increases and decreases are not considered material. Expenses increased \$3.4 million or 3.9 percent for governmental activities while business-type activity expenses increased \$1.4 million or 5.1 percent.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,598	\$ 11,461	\$ 30,550	\$ 32,891	\$ 44,148	\$ 44,352
Operating grants & contributions	7,311	9,780	-	-	7,311	9,780
Capital grants & contributions	534	2,307	-	-	534	2,307
Total program revenues	<u>21,443</u>	<u>23,548</u>	<u>30,550</u>	<u>32,891</u>	<u>51,993</u>	<u>56,439</u>
General revenues:						
Property tax	30,964	30,647	1,453	1,390	32,417	32,037
Sales tax	10,521	11,411			10,521	11,411
Motor vehicle in-lieu	362	471			362	471
Other taxes	14,384	13,583			14,384	13,583
Investment earnings	1,703	4,014	312	1,139	2,015	5,153
Other	2,701	2,515	557	465	3,258	2,980
Total general revenues	<u>60,635</u>	<u>62,641</u>	<u>2,322</u>	<u>2,994</u>	<u>62,957</u>	<u>65,635</u>
Total revenues	<u>82,078</u>	<u>86,189</u>	<u>32,872</u>	<u>35,885</u>	<u>114,950</u>	<u>122,074</u>
Expenses:						
General government	9,402	8,370			9,402	8,370
Public safety	42,404	41,516			42,404	41,516
Public works	6,527	6,278			6,527	6,278
Streets & infrastructures	3,824	4,496			3,824	4,496
Culture & recreation	17,045	17,185			17,045	17,185
Economic & community development	9,275	6,802			9,275	6,802
Nondepartmental						
Debt service	1,498	1,927			1,498	1,927
Water utility			11,497	10,778	11,497	10,778
Sewer			17,007	15,506	17,007	15,506
Civic center			749	599	749	599
Transfer station	-	-	66	1,005	66	1,005
Total expenses	<u>89,975</u>	<u>86,574</u>	<u>29,319</u>	<u>27,888</u>	<u>119,294</u>	<u>114,462</u>
Increase(decrease) in net assets before transfers	(7,897)	(385)	3,553	7,997	(4,344)	7,612
Transfers	3,082	1,968	(3,082)	(1,968)	-	-
Increase in net assets	(4,815)	1,583	471	6,029	(4,344)	7,612
Net assets, July 1	<u>161,255</u>	<u>159,672</u>	<u>96,925</u>	<u>90,896</u>	<u>258,180</u>	<u>250,568</u>
Net assets, June 30	<u>\$ 156,440</u>	<u>\$ 161,255</u>	<u>\$ 97,396</u>	<u>\$ 96,925</u>	<u>\$ 253,836</u>	<u>\$ 258,180</u>

GOVERNMENTAL ACTIVITIES

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

Table 3
Governmental Activities
For the Year Ended June 30, 2009
(in thousands)

	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>
General government	\$ 393	\$ 9,402	\$ (9,009)
Public safety	5,323	42,404	(37,081)
Public works	1,523	6,527	(5,004)
Streets & infrastructure	1,760	3,824	(2,064)
Culture & recreation	4,899	17,045	(12,146)
Economic & community development	4,029	9,275	(5,246)
All others	<u>3,516</u>	<u>1,498</u>	<u>2,018</u>
Total governmental activities	<u>\$ 21,443</u>	<u>\$ 89,975</u>	<u>\$ (68,532)</u>

THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

At June 30, 2009, the City's major governmental funds consisted of the General Fund, Gas Tax, Redevelopment Agency, and Capital Projects funds. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial status.

The General Fund's unreserved fund balance remained constant at \$21.8 million at June 30, 2009. General Fund revenues increased \$1.5 million mainly due to the \$0.8 million increase in property taxes, \$0.6 million increase in franchise fees, and \$0.5 million increase in fines and forfeitures. These revenue increases were offset by \$0.8 million decrease in sales tax, \$0.8 million decrease in investment earnings, and \$3.1 million increase in General Fund expenditures including \$2.1 million increase in total salaries and benefits.

The Gas Tax Special Revenue Fund had \$4.1 million of unreserved fund balance as of June 30, 2009 compared to the \$3.5 million of unreserved fund balance as of June 30, 2008. This amount represents uncommitted funds that are legally required to be spent on local roadway projects. All such amounts are budgeted for future expenditure as laid out in the multi-year capital plan. Gas Tax Fund revenues decreased \$2.4 million mainly due to the one-time receipt in 2008 of \$1.7 million Prop 1B funds. Gas Tax Fund expenditures decreased \$2.0 million due to less roadway projects completed in 2009.

Redevelopment Agency Fund unreserved fund deficit as of June 30, 2009 was \$24.0 million compared to the \$27.2 million of unreserved fund deficit as of June 30, 2008. The fund deficit is due to the long-term advances payable to the City's General Fund. These advances are expected to be repaid from future property tax increment revenues. The deficit decreased mainly due to the \$2.5 million payment made to the General Fund in 2009.

The Capital Projects Fund had \$15.4 million in unreserved fund balance at June 30, 2009 compared to the \$16.1 million in unreserved fund balance at June 30, 2008. The Capital Projects Fund fund balance is all designated for specific capital projects that will benefit the community as a whole. Capital Projects Fund revenues decreased \$0.9 million mainly due to \$0.6 million decrease in investment earnings. Capital Projects Fund expenditures increased \$0.5 million in 2009 compared to 2008.

Proprietary Funds

At June 30, 2009, the City had two major proprietary funds, the Water Utility Fund and the Sanitation District Fund.

Water Utility revenues decreased \$0.2 million or 1.1 percent compared to the previous year due to lower water sales resulting mainly from property foreclosures/vacancies. There was no water rate increase in fiscal 2009. At the same time, expenses increased \$0.7 million or 7 percent, mostly from increases in salaries and benefits and capital outlay.

Sanitation District revenues decreased \$0.4 million or 2.5 percent over the prior year resulting also from property foreclosures/vacancies. Sewer service charges are billed based on the previous year's winter water usage. There was no sewer rate increase in fiscal 2009. Expenses increased \$1.5 million or 10.1 percent mostly from increases in salaries and benefits and capital outlay.

General Fund Budgetary Highlights

The City of Daly City uses a biennial budgeting process, and fiscal 2009 represents the first year of a two-year budget. Two individual budget years are proposed to the City Council at the same time, with midbudget adjustments at the end of the first of the two years. This process provides more opportunity for long-term planning, but does require adjustments based on changing economic conditions, including on occasion adjustments to the first year. After midbudget adjustments, both revenues and expenditures were in line with expectations, with savings in some expenditure items realized from holding the line on services and supplies and other charges. Differences between original and final budget occur primarily due to the impact of new revenues, often from small grants or reimbursements, or the need to reallocate resources during the fiscal year. Changes to budget in fiscal 2009 are not considered material.

CAPITAL ASSETS

At the end of fiscal 2009 the City had \$173.5 million, net of accumulated depreciation, invested in a broad range of capital assets, as shown in Table 4 below (further detail may be found in Note 4 to the financial statements):

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 20,706	\$ 20,706	\$ 2,863	\$ 2,863	\$ 23,569	\$ 23,569
Buildings & improvements	40,864	42,712	3,806	3,937	44,670	46,649
Streets & infrastructures	23,635	25,002			23,635	25,002
Sewage facilities			26,899	27,899	26,899	27,899
Wells & pump stations			4,544	4,649	4,544	4,649
Water reservoirs			3,877	4,015	3,877	4,015
Water mains			12,274	12,825	12,274	12,825
Sanitation subsurface lines			13,585	14,121	13,585	14,121
Equipment	7,292	6,974	3,738	3,490	11,030	10,464
Furniture & fixtures	100	78		3	100	81
Construction in progress	<u>2,939</u>	<u>1,881</u>	<u>6,353</u>	<u>1,830</u>	<u>9,292</u>	<u>3,711</u>
Total net capital assets	<u>\$ 95,536</u>	<u>\$ 97,353</u>	<u>\$ 77,939</u>	<u>\$ 75,632</u>	<u>\$173,475</u>	<u>\$172,985</u>

Local roadway projects of various types were in the design phase or under construction, with a total available budget for the coming 2010 fiscal year of \$11.5 million.

Various water master plan projects were completed as part of the Water Utility enterprise fund's \$4.2 million investment in additional infrastructure in 2009, including \$3.9 million spent on Reservoir 2B replacement. The Sanitation District contributed an additional \$1.3 million to the City's enterprise fund infrastructure in 2009.

DEBT ADMINISTRATION

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

**Table 5
Outstanding Debt
(in thousands)**

<u>Description</u>	<u>Interest</u>	<u>Original Principal</u>	<u>Balance at June 30, 2008</u>	<u>Balance at June 30, 2009</u>
<u>Capital Lease for Civic Center Energy Management Project</u> Issued August 13, 2001 Final Maturity August 13, 2010	4.69%	\$1,184	\$395	\$270
<u>HUD Section 108 Loan for Bayshore Community Center</u> Issued January 29, 2004 Final Maturity Aug. 1, 2022	2.31% to 6.01%	\$4,500	\$4,074	\$3,912
<u>Pension Obligation Bonds</u> Issued June 1, 2004 Final Maturity June 1, 2024	2.65% to 5.896%	\$36,235	\$34,520	\$33,860
<u>Refinancing Certificates of Participation for Sanitation District Capacity Expansion</u> Issued Oct. 17, 2002 Final Maturity June 1, 2009	2.0% to 2.5%	\$10,475	\$855	\$0
<u>State Water Resources Control Board Revolving Fund Loan for Sanitation District Recycled Water Project</u> Issued November 18, 2003 Final Maturity December 1, 2024	2.5%	\$4,450	\$3,961	\$3,771
<u>Certificates of Participation for Bayshore Water Utility Master Plan Project</u> Issued June 24, 2004 Final Maturity June 1, 2024	3.0% to 5.0%	\$9,860	\$8,415	\$8,030
<u>Redevelopment Agency HELP Loan from California Housing Finance Agency</u> Issued January 30, 2007 Final Maturity January 30, 2017	3%	\$905	\$905	\$905
<u>Redevelopment Agency Promissory Note for Gigli Property</u> Issued October 2, 2007 Final Maturity November 1, 2011	5.5%	\$2,480	\$2,480	\$2,480

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Consumer Price Index-All Urban Consumers was 0.2 percent for the San Francisco-Oakland-San Jose region, compared to (1.4) percent for the U.S. City Average for the year ended June 2009. This is down from the prior period, when the index was 4.2 percent locally and 5.0 percent nationally.

The Daly City annual average unemployment rate was 5.9 percent in December 2008, up from 4.8 percent in December 2007. This compares with 4.7 and 3.8 percent respectively, for San Mateo County as a whole. California, and especially Northern California, remained in an economic downturn during fiscal 2009.

Local revenues continue to be impacted with the slowdown in property sales and now the dramatic decrease in average home value. Although affected less than other areas of California, San Mateo County cannot avoid the spill-over effect from national trends. Sales tax is decreasing as a result of overall contraction in the local, State and national economy. Overall we are taking a cautionary approach to revenue forecasting in the coming year.

ADDITIONAL INFORMATION

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



CITY OF DALY CITY
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 1F)	\$65,072,866	\$29,429,422	\$94,502,288
Cash with fiscal agent (Note 1F)	7,839	4,597	12,436
Accounts receivable, net	3,082,714	2,877,109	5,959,823
Inventories (Note 1G)	301,939	1,967,032	2,268,971
Prepays (Note 1G)	200,948	196,973	397,921
Notes receivable (Note 12)	600,590		600,590
Property held for development (Note 1C)	19,441,303		19,441,303
Prepaid PERS pension contribution (Note 7)	30,345,863		30,345,863
Capital assets (Note 4)			
Nondepreciable capital assets	23,644,873	9,215,399	32,860,272
Depreciable capital assets, net	71,891,454	68,723,384	140,614,838
Total Assets	214,590,389	112,413,916	327,004,305
LIABILITIES			
Accounts payable	2,233,395	1,492,961	3,726,356
Accrued payroll	715,690	58,664	774,354
Deposits payable	1,451,746	52,892	1,504,638
Interest payable	323,142	84,732	407,874
OPEB Obligation (Note 8)	1,499,133	279,701	1,778,834
Compensated absences (Note 1J)			
Due within one year	6,071,000	799,000	6,870,000
Due in more than one year	2,602,426	448,722	3,051,148
Accrued claims payable (Note 10)			
Due within one year	968,315		968,315
Due in more than one year	859,349		859,349
Long-term debt (Note 5)			
Due within one year	1,095,684	589,596	1,685,280
Due in more than one year	40,330,531	11,211,712	51,542,243
Total Liabilities	58,150,411	15,017,980	73,168,391
NET ASSETS (Note 11)			
Invested in capital assets, net of related debt	91,354,782	66,137,475	157,492,257
Restricted for:			
Debt service	7,839	4,597	12,436
Redevelopment projects	5,244,767		5,244,767
Highways and streets	4,218,971		4,218,971
Infrastructure	2,863,919		2,863,919
Other	769,345		769,345
Total Restricted Net Assets	13,104,841	4,597	13,109,438
Unrestricted	51,980,355	31,253,864	83,234,219
Total Net Assets	\$156,439,978	\$97,395,936	\$253,835,914

See accompanying notes to financial statements

CITY OF DALY CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
General government	\$9,401,885	\$117,873	\$180,896	\$94,725	(\$9,008,391)	(\$9,008,391)
Public safety	42,404,296	4,953,076	370,043		(37,081,177)	(37,081,177)
Public works	6,526,712	1,123,139	400,000		(5,003,573)	(5,003,573)
Streets and infrastructure	3,823,885	1,247,967	254,894	256,830	(2,064,194)	(2,064,194)
Culture and recreation	17,045,290	2,975,580	1,773,869	150,000	(12,145,841)	(12,145,841)
Economic and community development	9,274,398	2,717,488	1,311,108		(5,245,802)	(5,245,802)
Nondepartmental		462,733	3,019,999	32,775	3,515,507	3,515,507
Interest on long-term debt	1,498,377				(1,498,377)	(1,498,377)
Total Governmental Activities	89,974,843	13,597,856	7,310,809	534,330	(68,531,848)	(68,531,848)
Business-type Activities:						
Water Utility	11,496,966	12,752,887			\$1,255,921	1,255,921
Civic Center	749,560	1,011,711			262,151	262,151
Transfer Station	65,987	375,000			309,013	309,013
Sanitation District	17,006,931	16,410,870			(596,061)	(596,061)
Total Business-type Activities	29,319,444	30,550,468			1,231,024	1,231,024
Total	\$119,294,287	\$44,148,324	\$7,310,809	\$534,330	(68,531,848)	(67,300,824)
General revenues:						
Taxes:						
Property tax					30,964,095	32,417,052
Sales tax					10,520,797	10,520,797
Utility users tax					6,870,869	6,870,869
Franchise fees					3,378,546	3,378,546
Other taxes					4,134,141	4,134,141
Motor vehicle in lieu, unrestricted					362,136	362,136
Investment earnings					1,703,334	2,014,832
Miscellaneous					2,700,781	3,257,576
Transfers (Note 6)					3,081,788	(3,081,788)
Total general revenues and transfers					63,716,487	62,955,949
Change in Net Assets					(4,815,361)	(4,344,875)
Net Assets-Beginning					161,255,339	258,180,789
Net Assets-Ending					\$156,439,978	\$253,835,914

See accompanying notes to financial statements

CITY OF DALY CITY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

	General	Gas Tax	Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 1F)	\$22,845,824	\$3,949,070	\$6,120,117	\$15,750,039	\$3,430,551	\$52,095,601
Accounts receivable, net	2,237,068	436,599	154,590	23,520	366,247	3,218,024
Due from other funds (Note 6)	23,516					23,516
Inventories (Note 1G)	142,928					142,928
Prepays (Note 1G)	147,174		11,367			158,541
Notes receivable (Note 12)					600,590	600,590
Long-term interfund receivables (Note 6)	28,205,637					28,205,637
Property held for development (Note 1C)			19,441,303			19,441,303
Total Assets	\$53,602,147	\$4,385,669	\$25,727,377	\$15,773,559	\$4,397,388	\$103,886,140
LIABILITIES						
Accounts payable	\$1,305,971	\$24,138	\$135,977	\$248,106	\$130,587	\$1,844,779
Accrued payroll	509,281		1,974		9,431	520,686
Due to other funds (Note 6)					23,516	23,516
Deposits payable	1,438,884		12,862			1,451,746
Deferred revenue	6,998,541	142,560			600,590	7,741,691
Long-term interfund payables (Note 6)			28,205,637			28,205,637
Total Liabilities	10,252,677	166,698	28,356,450	248,106	764,124	39,788,055
FUND BALANCES						
Fund Balance (Note 11)						
Reserved for:						
Encumbrances	62,529	153,561	63,905	102,432	18,420	400,847
Inventories	142,928					142,928
Prepays	147,174		11,367			158,541
Long-term interfund receivables	21,207,096					21,207,096
Property held for development (Note 1C)			19,441,303			19,441,303
Restricted purposes			1,935,983		3,633,264	5,569,247
Imprest cash funds	6,780				1,485	8,265
Unreserved:						
Designated for:						
Capital projects		4,065,410		15,423,021		19,488,431
Operating capital	12,000,000					12,000,000
Undesignated, reported in:						
General Fund	9,782,963					9,782,963
Special Revenue Funds			(24,081,631)		(19,905)	(24,101,536)
Total Fund Balances (Deficits)	43,349,470	4,218,971	(2,629,073)	15,525,453	3,633,264	64,098,085
Total Liabilities and Fund Balances	\$53,602,147	\$4,385,669	\$25,727,377	\$15,773,559	\$4,397,388	\$103,886,140

See accompanying notes to financial statements

CITY OF DALY CITY
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

Total fund balances reported on the Governmental Funds Balance Sheet \$64,098,085

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 88,006,350

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

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

Cash and investments	12,985,104
Accounts receivable	7,250
Inventories	159,011
Prepays	42,407
Capital assets	7,529,977
Prepaid PERS pension contribution	30,345,863
Accounts payable	(388,616)
Accrued payroll	(195,004)
Interest payable	(162,165)
Accrued claims payable	(1,827,664)
Compensated absences	(566,003)
OPEB obligation	(183,088)
Long-term debt - due within one year	(790,000)
Long-term debt - due in more than one year	(33,070,000)

ACCRUAL OF NONCURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 7,599,131

LONG TERM ASSETS AND LIABILITIES

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

Long-term debt	(7,727,192)
OPEB Obligation	(1,316,045)
Compensated absences	(8,107,423)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$156,439,978

See accompanying notes to financial statements

CITY OF DALY CITY
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2009

	General	Gas Tax	Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property tax	\$24,165,111		\$6,798,984			\$30,964,095
Gas tax		\$1,613,452				1,613,452
Sales tax	9,594,031	1,348,393				10,942,424
Utility users tax	6,870,869					6,870,869
Franchise fees	3,378,546					3,378,546
Other taxes	4,496,277					4,496,277
Licenses and permits	1,728,788					1,728,788
Fines and forfeitures	2,508,216				\$130,412	2,638,628
Rents and interest	3,768,812	38,595	215,162	\$170,222	31,138	4,223,929
Federal programs and grants	21,290	196,830			1,558,548	1,776,668
Receipts from other agencies	713,130	1,216,325		27,849	1,153,452	3,110,756
Charges and fees	6,062,420		8,190	432,775	1,629,685	8,133,070
Miscellaneous	2,976,382		591	325,975	287,153	3,590,101
Total Revenues	66,283,872	4,413,595	7,022,927	956,821	4,790,388	83,467,603
EXPENDITURES						
Current:						
General government	8,464,269					8,464,269
Public safety	40,809,528				286,661	41,096,189
Public works	5,606,482				20,965	5,627,447
Culture and recreation	12,468,420				2,524,857	14,993,277
Economic and community development	3,563,586		4,569,971		1,060,348	9,193,905
Capital projects		2,197,919		2,447,298		4,645,217
Debt service						
Principal				125,785	162,000	287,785
Interest			1,244,569	18,541	215,989	1,479,099
Total Expenditures	70,912,285	2,197,919	5,814,540	2,591,624	4,270,820	85,787,188
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,628,413)	2,215,676	1,208,387	(1,634,803)	519,568	(2,319,585)
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 6)	5,920,186			550,522	693,670	7,164,378
Transfers out (Note 6)	(1,353,612)	(2,297,603)	(467,444)	(4,380)	(4,080)	(4,127,119)
Total Other Financing Sources (Uses)	4,566,574	(2,297,603)	(467,444)	546,142	689,590	3,037,259
NET CHANGE IN FUND BALANCES	(61,839)	(81,927)	740,943	(1,088,661)	1,209,158	717,674
BEGINNING FUND BALANCES (DEFICITS)	43,411,309	4,300,898	(3,370,016)	16,614,114	2,424,106	63,380,411
ENDING FUND BALANCES (DEFICITS)	\$43,349,470	\$4,218,971	(\$2,629,073)	\$15,525,453	\$3,633,264	\$64,098,085

See accompanying notes to financial statements

CITY OF DALY CITY
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$717,674

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay expenditures are therefore added back to fund balance.	1,205,604
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$1,062,586, which has already been allocated to serviced funds).	(3,951,635)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Repayment of debt principal is added back to fund balance	287,785
Interest accrued is deducted from fund balance	(19,278)

ACCRUAL OF NONCURRENT ITEMS

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

Deferred revenue	(1,446,834)
Compensated absences	(618,043)
OPEB Obligation	(1,316,045)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in net assets of all internal service funds	<u>325,411</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>(\$4,815,361)</u></u>
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See accompanying notes to financial statements

CITY OF DALY CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property tax	\$24,620,503	\$24,620,503	\$24,165,111	(\$455,392)
Sales tax	10,744,839	10,744,839	9,594,031	(1,150,808)
Utility users tax	6,949,317	6,949,317	6,870,869	(78,448)
Franchise fees	3,366,617	3,366,617	3,378,546	11,929
Other taxes	4,443,634	4,443,634	4,496,277	52,643
Licenses and permits	1,813,244	1,813,244	1,728,788	(84,456)
Fines and forfeitures	2,129,107	2,129,107	2,508,216	379,109
Rents and interest	4,426,590	4,426,590	3,768,812	(657,778)
Federal programs and grants	3,850	21,850	21,290	(560)
Receipts from other agencies	485,676	665,001	713,130	48,129
Charges and fees	6,546,099	6,545,680	6,062,420	(483,260)
Miscellaneous	2,214,084	2,255,105	2,976,382	721,277
Total Revenues	67,743,560	67,981,487	66,283,872	(1,697,615)
EXPENDITURES:				
Current Operations:				
General Government				
Legislative:				
Salaries and benefits	175,119	175,119	167,239	7,880
Services and supplies	50,436	45,893	42,861	3,032
Other charges	32,187	20,587	17,441	3,146
Total Legislative	257,742	241,599	227,541	14,058
Legal:				
Salaries and benefits	723,970	723,970	742,482	(18,512)
Services and supplies	153,917	246,872	198,772	48,100
Other charges	12,240	12,240	6,438	5,802
Total Legal	890,127	983,082	947,692	35,390
Administrative				
Salaries and benefits	5,508,819	5,553,021	5,639,445	(86,424)
Services and supplies	1,249,988	1,162,165	1,126,425	35,740
Capital outlay	18,813	18,813	16,779	2,034
Other charges	822,639	721,248	506,387	214,861
Total Administrative	7,600,259	7,455,247	7,289,036	166,211
Total General Government	8,748,128	8,679,928	8,464,269	215,659
Public Safety				
Police:				
Salaries and benefits	20,445,564	20,527,945	20,686,400	(158,455)
Services and supplies	3,601,406	3,580,900	3,621,105	(40,205)
Capital outlay	19,182	22,004	18,884	3,120
Other charges	206,987	180,587	159,412	21,175
Total Police	24,273,139	24,311,436	24,485,801	(174,365)
Fire:				
Salaries and benefits	12,747,340	12,737,340	12,752,671	(15,331)
Services and supplies	1,442,224	1,434,275	1,390,070	44,205
Capital outlay	43,569	43,569	30,165	13,404
Other charges	82,470	60,002	60,114	(112)
Total Fire	14,315,603	14,275,186	14,233,020	42,166

CITY OF DALY CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety Communications				
Salaries and benefits	1,868,759	1,868,759	1,821,488	47,271
Services and supplies	241,127	239,361	261,531	(22,170)
Capital outlay	5,142	5,142	1,764	3,378
Other charges	14,044	12,444	5,924	6,520
Total Public Safety Communications	<u>2,129,072</u>	<u>2,125,706</u>	<u>2,090,707</u>	<u>34,999</u>
Total Public Safety	<u>40,717,814</u>	<u>40,712,328</u>	<u>40,809,528</u>	<u>(97,200)</u>
Public Works				
Salaries and benefits	4,493,255	4,419,754	4,184,334	235,420
Services and supplies	1,487,913	1,458,926	1,344,871	114,055
Capital outlay	20,508	23,215	23,671	(456)
Other charges	65,530	63,530	53,606	9,924
Total Public Works	<u>6,067,206</u>	<u>5,965,425</u>	<u>5,606,482</u>	<u>358,943</u>
Culture and Recreation				
Library:				
Salaries and benefits	2,630,942	2,618,726	2,611,729	6,997
Services and supplies	1,087,446	1,087,242	1,044,894	42,348
Other charges	15,096	15,096	14,735	361
Total Library	<u>3,733,484</u>	<u>3,721,064</u>	<u>3,671,358</u>	<u>49,706</u>
Parks and Recreation:				
Salaries and benefits	5,134,322	5,111,068	5,050,785	60,283
Services and supplies	4,067,019	4,005,258	3,690,371	314,887
Capital outlay	10,035	1,902	1,552	350
Other charges	58,571	66,271	54,354	11,917
Total Parks and Recreation	<u>9,269,947</u>	<u>9,184,499</u>	<u>8,797,062</u>	<u>387,437</u>
Total Culture and Recreation	<u>13,003,431</u>	<u>12,905,563</u>	<u>12,468,420</u>	<u>437,143</u>
Economic and Community Development				
Salaries and benefits	2,685,629	2,685,629	2,858,706	(173,077)
Services and supplies	617,375	584,094	431,843	152,251
Capital outlay	2,860	2,800	1,659	1,141
Other charges	293,767	280,972	271,378	9,594
Total Economic and Community Development	<u>3,599,631</u>	<u>3,553,495</u>	<u>3,563,586</u>	<u>(10,091)</u>
Total Expenditures	<u>72,136,210</u>	<u>71,816,739</u>	<u>70,912,285</u>	<u>904,454</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,392,650)</u>	<u>(3,835,252)</u>	<u>(4,628,413)</u>	<u>(793,161)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,637,799	5,674,984	5,920,186	245,202
Transfers out	<u>(1,551,230)</u>	<u>(1,370,725)</u>	<u>(1,353,612)</u>	<u>17,113</u>
Total Other Financing Sources (Uses)	<u>4,086,569</u>	<u>4,304,259</u>	<u>4,566,574</u>	<u>262,315</u>
NET CHANGE IN FUND BALANCE	<u>(\$306,081)</u>	<u>\$469,007</u>	<u>(61,839)</u>	<u>(\$530,846)</u>
BEGINNING FUND BALANCE			<u>43,411,309</u>	
ENDING FUND BALANCE			<u>\$43,349,470</u>	

See accompanying notes to financial statements

CITY OF DALY CITY
 GAS TAX SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Gas tax	\$1,965,387	\$1,965,387	\$1,613,452	(\$351,935)
Sales tax	1,425,000	1,425,000	1,348,393	(76,607)
Rents and interest	80,000	80,000	38,595	(41,405)
Federal programs and grants	2,869,593	2,869,593	196,830	(2,672,763)
Receipts from other agencies	799,091	837,091	1,216,325	379,234
	7,139,071	7,177,071	4,413,595	(2,763,476)
Total Revenues				
EXPENDITURES:				
Capital projects	9,348,590	9,386,590	2,197,919	7,188,671
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,209,519)	(2,209,519)	2,215,676	4,425,195
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,052,401)	(2,052,401)	(2,297,603)	(245,202)
NET CHANGE IN FUND BALANCES	(\$4,261,920)	(\$4,261,920)	(81,927)	\$4,179,993
BEGINNING FUND BALANCE			4,300,898	
ENDING FUND BALANCE			\$4,218,971	

See accompanying notes to financial statements

CITY OF DALY CITY
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property tax	\$7,417,000	\$7,417,000	\$6,798,984	(\$618,016)
Rents and interest	141,911	141,911	215,162	73,251
Charges and fees	7,968	7,968	8,190	222
Miscellaneous	150,000	150,000	591	(149,409)
Total Revenues	<u>7,716,879</u>	<u>7,716,879</u>	<u>7,022,927</u>	<u>(693,952)</u>
EXPENDITURES:				
Economic and Community Development:				
Affordable housing developer assistance			3,197,367	(3,197,367)
Salaries and benefits	456,043	456,043	341,655	114,388
Services and supplies	610,910	610,080	119,750	490,330
Pass thru payments	782,000	782,000	814,445	(32,445)
Capital outlay	852,393	852,393	12,056	840,337
Other charges	960,729	960,979	84,698	876,281
Total Economic and Community Development	<u>3,662,075</u>	<u>3,661,495</u>	<u>4,569,971</u>	<u>(908,476)</u>
Debt Service:				
Principal	3,384,670	3,384,670		3,384,670
Interest	2,745,630	2,745,630	1,244,569	1,501,061
Total Expenditures	<u>9,792,375</u>	<u>9,791,795</u>	<u>5,814,540</u>	<u>3,977,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,075,496)</u>	<u>(2,074,916)</u>	<u>1,208,387</u>	<u>3,283,303</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	4,000,000	4,000,000		(4,000,000)
Transfers out	(340,528)	(467,444)	(467,444)	
Total Other Financing Sources (Uses)	<u>3,659,472</u>	<u>3,532,556</u>	<u>(467,444)</u>	<u>(4,000,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$1,583,976</u>	<u>\$1,457,640</u>	<u>740,943</u>	<u>(\$716,697)</u>
BEGINNING FUND BALANCE (DEFICIT)			<u>(3,370,016)</u>	
ENDING FUND BALANCE (DEFICIT)			<u>(\$2,629,073)</u>	

See accompanying notes to financial statements

CITY OF DALY CITY
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

	Business-type Activities-Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds		
ASSETS					
Current Assets:					
Cash and investments (Note 1F)	\$5,590,607	\$20,262,735	\$3,576,080	\$29,429,422	\$12,977,265
Cash with fiscal agent (Note 1F)		4,597		4,597	7,839
Accounts receivable, net (Note 1H)	1,733,548	1,082,936	60,625	2,877,109	7,250
Inventories (Note 1G)	464,513	1,502,519		1,967,032	159,011
Prepays (Note 1G)	196,973			196,973	42,407
Total Current Assets	7,985,641	22,852,787	3,636,705	34,475,133	13,193,772
Noncurrent Assets:					
Prepaid PERS pension contribution (Note 7)					30,345,863
Capital Assets (Note 4):					
Land	839,856	233,547	1,789,146	2,862,549	378,343
Buildings	153,943	676,019	6,753,006	7,582,968	35,817
Sewage facilities		54,527,090		54,527,090	
Wells and pump stations	7,011,400			7,011,400	
Water reservoirs	7,258,827			7,258,827	
Mains & subsurface lines	16,147,012	20,085,992		36,233,004	
Equipment	4,875,669	2,724,937	704,795	8,305,401	15,518,909
Furniture and fixtures	21,824	28,694		50,518	52,707
Construction in progress	4,620,094	1,732,756		6,352,850	1,072,493
Total Capital Assets	40,928,625	80,009,035	9,246,947	130,184,607	17,058,269
Less accumulated depreciation	(12,301,878)	(35,846,686)	(4,097,260)	(52,245,824)	(9,528,292)
Net Capital Assets	28,626,747	44,162,349	5,149,687	77,938,783	7,529,977
Total Noncurrent Assets	28,626,747	44,162,349	5,149,687	77,938,783	37,875,840
Total Assets	36,612,388	67,015,136	8,786,392	112,413,916	51,069,612
Current Liabilities:					
Accounts payable	573,232	720,076	15,645	1,308,953	388,616
Retentions payable	183,642	366		184,008	
Accrued payroll	21,797	36,867		58,664	195,004
Deposits payable	52,892			52,892	
Interest payable	29,734	54,998		84,732	162,165
Accrued claims payable (Note 9)					968,315
Compensated absences (Note 1J)	250,000	549,000		799,000	
Long-term debt (Note 5)	395,000	194,596		589,596	790,000
Total Current Liabilities	1,506,297	1,555,903	15,645	3,077,845	2,504,100
Noncurrent Liabilities:					
Compensated absences (Note 1J)	83,129	365,593		448,722	566,003
Accrued claims payable (Note 9)					859,349
OPEB obligation	99,214	180,487		279,701	183,088
Long-term debt (Note 5)	7,635,000	3,576,712		11,211,712	33,070,000
Total Noncurrent Liabilities	7,817,343	4,122,792		11,940,135	34,678,440
Total Liabilities	9,323,640	5,678,695	15,645	15,017,980	37,182,540
NET ASSETS (Note 11)					
Invested in capital assets, net of related debt	20,596,747	40,391,041	5,149,687	66,137,475	7,529,977
Restricted for:					
Debt service		4,597		4,597	7,839
Unrestricted	6,692,001	20,940,803	3,621,060	31,253,864	6,349,256
Total Net Assets	\$27,288,748	\$61,336,441	\$8,770,747	\$97,395,936	\$13,887,072

See accompanying notes to financial statements

CITY OF DALY CITY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds		
OPERATING REVENUES					
Water sales	\$12,752,887	\$130,003		\$12,882,890	
Sewer service charges		15,754,922		15,754,922	
Connection charges		525,945		525,945	
Rental income			\$1,011,711	1,011,711	
Lease revenue			375,000	375,000	
Charges to City departments					\$16,443,713
Other revenues	284,329	109,215	163,251	556,795	702,966
Total Operating Revenues	13,037,216	16,520,085	1,549,962	31,107,263	17,146,679
OPERATING EXPENSES					
Salaries and benefits	3,027,586	6,499,253		9,526,839	5,847,901
Services and supplies	1,536,636	5,093,511	409,886	7,040,033	3,144,955
Water purchases	3,264,651			3,264,651	
Utilities	921,367	802,157	134,769	1,858,293	385,066
Insurance	127,827	314,312	12,147	454,286	1,181,293
Claims and settlements					1,479,402
Depreciation (Note 4)	1,149,384	1,830,556	231,682	3,211,622	1,062,586
Other charges	1,084,140	2,339,788	18,833	3,442,761	130,636
Total Operating Expenses	11,111,591	16,879,577	807,317	28,798,485	13,231,839
Operating Income	1,925,625	(359,492)	742,645	2,308,778	3,914,840
NONOPERATING REVENUES (EXPENSES)					
Property taxes		1,452,957		1,452,957	
Gain (loss) on disposal of capital assets	(3,083)		(8,230)	(11,313)	(219,437)
Amortization					(1,563,562)
Interest income	78,126	205,975	27,397	311,498	122,306
Interest expense	(382,292)	(127,354)		(509,646)	(1,973,265)
Total Nonoperating Revenues (Expenses)	(307,249)	1,531,578	19,167	1,243,496	(3,633,958)
Income (Loss) Before Transfers	1,618,376	1,172,086	761,812	3,552,274	280,882
Transfers in (Note 6)		1,500,189		1,500,189	928,788
Transfers out (Note 6)	(2,204,264)	(1,515,422)	(862,291)	(4,581,977)	(884,259)
Net transfers	(2,204,264)	(15,233)	(862,291)	(3,081,788)	44,529
Change in net assets	(585,888)	1,156,853	(100,479)	470,486	325,411
BEGINNING NET ASSETS	27,874,636	60,179,588	8,871,226	96,925,450	13,561,661
ENDING NET ASSETS	\$27,288,748	\$61,336,441	\$8,770,747	\$97,395,936	\$13,887,072

See accompanying notes to financial statements

CITY OF DALY CITY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water Utility	Sanitation District	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$13,177,794	\$16,402,595	\$1,584,653	\$31,165,042	\$17,207,813
Payments to suppliers	(6,638,774)	(8,534,875)	(575,543)	(15,749,192)	(4,778,310)
Payments to employees	(2,975,041)	(6,372,057)		(9,347,098)	(5,766,582)
Claims paid					(1,356,671)
Cash Flows from Operating Activities	<u>3,563,979</u>	<u>1,495,663</u>	<u>1,009,110</u>	<u>6,068,752</u>	<u>5,306,250</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property tax		1,452,957		1,452,957	
Principal paid on noncapital debt					(660,000)
Interest paid on noncapital debt					(1,975,746)
Transfers in		1,500,189		1,500,189	928,788
Transfers out	(2,204,264)	(1,515,422)	(862,291)	(4,581,977)	(884,259)
Cash Flows from Noncapital Financing Activities	<u>(2,204,264)</u>	<u>1,437,724</u>	<u>(862,291)</u>	<u>(1,628,831)</u>	<u>(2,591,217)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(4,151,605)	(1,307,763)	(69,775)	(5,529,143)	(2,219,457)
Proceeds from sale of capital assets					7,933
Principal paid on capital debt	(385,000)	(1,044,849)		(1,429,849)	
Interest paid on capital debt	(383,415)	(131,904)		(515,319)	
Cash Flows from Capital and Related Financing Activities	<u>(4,920,020)</u>	<u>(2,484,516)</u>	<u>(69,775)</u>	<u>(7,474,311)</u>	<u>(2,211,524)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	78,126	205,975	27,397	311,498	122,306
Net Cash Flows	<u>(3,482,179)</u>	<u>654,846</u>	<u>104,441</u>	<u>(2,722,892)</u>	<u>625,815</u>
Cash and investments at beginning of period	9,072,786	19,612,486	3,471,639	32,156,911	12,359,289
Cash and investments at end of period	<u>\$5,590,607</u>	<u>\$20,267,332</u>	<u>\$3,576,080</u>	<u>\$29,434,019</u>	<u>\$12,985,104</u>
Reconciliation of Operating Income to (Loss) Cash Flows from Operating Activities:					
Operating income (loss)	\$1,925,625	(\$359,492)	\$742,645	\$2,308,778	\$3,914,840
Adjustments to reconcile operating income to cash flows from operating activities:					
Depreciation	1,149,384	1,830,556	231,682	3,211,622	1,062,586
Change in assets and liabilities:					
Accounts receivable, net	132,576	(117,490)	34,691	49,777	61,134
Inventories	(13,830)	(91,952)		(105,782)	75,902
Other assets	13,132	11,500		24,632	
Prepays					(42,407)
Accounts payable	121,642	145,955	92	267,689	30,145
Retentions payable	174,903	(50,610)		124,293	
Accrued payroll	(84,957)	(122,719)		(207,676)	20,289
Deposits payable	8,002			8,002	
Accrued claims payable					122,731
Compensated absences	38,288	69,428		107,716	(122,058)
OPEB obligation	99,214	180,487		279,701	183,088
Cash Flows from Operating Activities	<u>\$3,563,979</u>	<u>\$1,495,663</u>	<u>\$1,009,110</u>	<u>\$6,068,752</u>	<u>\$5,306,250</u>

See accompanying notes to financial statements

CITY OF DALY CITY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 1F)	\$2,095,980
Receivables	1,817,561
Other assets	<u>18,331</u>
Total Assets	<u><u>\$3,931,872</u></u>
 LIABILITIES	
Accounts payable	\$2,632,227
Due to others	<u>1,299,645</u>
Total Liabilities	<u><u>\$3,931,872</u></u>

See accompanying notes to financial statements



CITY OF DALY CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 1.

DESCRIPTION OF FUNDS AND SUMMARY OF ACCOUNTING POLICIES

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

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

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

A. BASIS OF PRESENTATION

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

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the City and its component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

B. MAJOR FUNDS

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

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

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

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

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND is used to account for monies restricted for the purpose of eliminating blight in designated redevelopment project areas. The Redevelopment Agency was established in 1971 for the purpose of redeveloping certain portions of the City's older business areas. While the Redevelopment Agency is technically an administrative arm of the State, exercising State powers, it is governed and effectively controlled by the City Council.

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

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

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

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

The City also reports the following fund types:

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

Fiduciary Funds. Agency-Funds are used to account for assets held by the City as an agent for Billing Services, Peninsula Traffic Congestion Relief Alliance, San Mateo Pre-Hospital Emergency Medical Services Group, Supporters of Senior Center, and Peninsula Partnership. The financial activities of these funds are excluded from the entity-wide financial statements, but are presented in separate fiduciary fund financial statements.

C. PROPERTY HELD FOR DEVELOPMENT

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

D. BASIS OF ACCOUNTING

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

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

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

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

Certain indirect costs are included in program expenses reported for individual functions and activities.

The City follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type and Proprietary fund activities, which do not conflict with Governmental Accounting Standards Board statements.

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

Inventories and prepaids are valued at cost (on the first-in, first-out basis). Inventories of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual inventory items are consumed. Reported General Fund inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

E BUDGETS, BUDGETARY ACCOUNTING AND ENCUMBRANCES

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

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

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

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

The Peninsula Partnership Special Revenue Fund incurred expenditures in excess of its budget in the amount of \$28,815 as the result of unanticipated disbursements for the year ended June 30, 2009. Sufficient monies were available to fund these expenditures.

F. CASH AND INVESTMENTS

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

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

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

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

Cash and investments	\$94,502,288
Restricted cash and investments	12,436
Cash and investments of the City	94,514,724
Cash and investments in Fiduciary Funds (separate statement)	2,095,980
Total cash and investments	\$96,610,704

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

The City’s Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s Investment Policy.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	\$40,000,000	\$40,000,000
San Mateo County Investment Pool	Upon Demand	N/A	No Limit	No Limit
Negotiable Certificates of Deposit	5 Years	AA	30%	No Limit
U. S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Government Agency Securities and U.S. Government Sponsored Enterprise Agencies	5 Years	N/A	No Limit	No Limit
Bankers' Acceptances	180 Days	N/A	40%	30%
Commercial Paper	180 Days	Highest Rating Category	25%	10%
Money Market Mutual Funds	Upon Demand	AAA	15%	No Limit
State of California Obligations	5 Years	N/A	No Limit	No Limit
Local Agency Obligations	5 Years	N/A	No Limit	No Limit
Repurchase Agreements	1 year	N/A	15%	No Limit
Reverse Repurchase Agreements	92 Days	N/A	15%	No Limit

Investments Authorized by Debt Agreements

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

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills	N/A	N/A	No Limit	No Limit
U.S. Government Agency Securities and U.S. Government Sponsored Enterprise Agencies	N/A	AAA	No Limit	No Limit
State Obligations	N/A	Highest Rating Category	No Limit	No Limit
Commercial Paper	270 Days	A-1+	No Limit	No Limit
Negotiable Certificates of Deposit	365 days	A-1+	No Limit	No Limit
Money Market Mutual Funds	N/A	AAm	No Limit	No Limit
Bankers Acceptances	360	A-1+	No Limit	No Limit
Local Obligations	N/A	Highest Rating Category	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	\$40,000,000	\$40,000,000
Municipal Obligations	N/A	AAA	No Limit	No Limit
Repurchase Agreements	N/A	A	No Limit	No Limit

Interest Rate Risk

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

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

Investment Type	Less than One Year	More than Ten Years	Total
U.S. Government-Sponsored Enterprise Agencies		\$2,736,234	\$2,736,234
Certificates of Deposit	\$5,897,000		5,897,000
Money Market Mutual Funds	12,436		12,436
California Local Agency Investment Fund	77,221,625		77,221,625
San Mateo County Investment Pool	10,173,910		10,173,910
Total Investments	<u>\$93,304,971</u>	<u>\$2,736,234</u>	<u>96,041,205</u>
Cash in Bank and on Hand			<u>569,499</u>
Total Cash and Investments			<u>\$96,610,704</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. 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. At June 30, 2009, these investments have an average maturity of 235 days.

The City is a voluntary participant in the San Mateo County Investment Fund (SMCIF) that is regulated by California Government Code Section 53600 under the oversight of the treasurer of the County of San Mateo. The City reports its investment in SMCIF at the fair value amount provided by SMCIF. The balance available for withdrawal is based on the accounting records maintained by SMCIF, which are recorded on an amortized cost basis. Included in SMCIF's investment portfolio are U.S. Treasury Notes, obligations issued by agencies of the U.S. Government, LAIF, corporate notes, commercial paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2009, these investments matured in an average of 1 year.

Mutual Funds investments are available for withdrawal on demand and at June 30, 2009 have an average maturity of less than 30 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2009 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	Fitch A-/V2	Total Investments
Money Market Mutual Funds	\$12,436		\$12,436
San Mateo County Investment Pool		\$10,173,910	10,173,910
Total	\$12,436	\$10,173,910	10,186,346
<i>Not rated:</i>			
Certificates of Deposit			5,897,000
California Local Agency Investment Fund			77,221,625
<i>Exempt from rating requirement:</i>			
U.S. Government-Sponsored Enterprise Agencies			2,736,234
Total Investments			\$96,041,205

G. INVENTORY AND PREPAIDS

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

Prepays represent services that are paid for in advance. For governmental funds, prepaids do not constitute available spendable resources even though they are a component of net current assets. They are equally offset by a reservation of fund balance. For the Water Utility enterprise fund, prepaids represent the unamortized portion of the certificates of participation issue costs.

H. WATER UTILITY ACCOUNTS RECEIVABLE

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

I. ADVANCES TO OTHER FUNDS AND AGENCIES

In governmental funds, noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a reservation of fund balance which indicates that they do not constitute available spendable resources since they are not a component of net current assets. These advances accumulate interest annually and because interest revenue is not expected to be collected within the next year, the accumulated interest has been reflected as deferred revenue in the General Fund. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered available spendable resources.

J. ACCUMULATED UNPAID VACATION, COMPENSATORY AND SICK LEAVE

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

Full-time City employees receive one working day of sick leave for each month of employment. Employees who terminate for reasons other than death, retirement or abolishment of position lose all accumulated sick leave. Upon death, retirement after the age of 50 and 5 years of service or abolishment of position the City is obligated to pay 50% of unused sick leave, up to 800 hours, at the salary rate then in effect. The value of vested sick leave liability for all employees qualified for retirement on June 30 of each year is accrued.

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

The changes in liability for compensated absences were as follows:

	Governmental Activities	Business Type Activities	Total
Balance July 1, 2008	\$8,177,441	\$1,140,006	\$9,317,447
Additions	6,276,583	861,359	7,137,942
Payments	(5,780,598)	(753,643)	(6,534,241)
Balance June 30, 2009	<u>\$8,673,426</u>	<u>\$1,247,722</u>	<u>\$9,921,148</u>
Due within one year	<u>\$6,071,000</u>	<u>\$799,000</u>	<u>\$6,870,000</u>

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

K. CLAIMS AND JUDGMENTS

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

L. PROPERTY TAX LEVY, COLLECTION, MAXIMUM RATES

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

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

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

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

Note 2.**REPORTING ENTITY**

The City's Basic Financial Statements include the financial activities of the City, the Daly City Redevelopment Agency (Redevelopment Agency), the North San Mateo County Sanitation District and the Daly City Public Facilities Financing Corporation. These entities are controlled by governing boards consisting of the City Council. Council members are financially accountable for these entities' operations and approve fees, debt issues and adopt budgets. Component unit reports for the Redevelopment Agency can be obtained from the City of Daly City, 333 - 90th Street, Daly City, California 94015-1895.

The Redevelopment Agency was established in 1971 for the purpose of developing certain portions of the City's older business areas, and is overseen by and dependent upon the City. While the Redevelopment Agency is a separate legal entity and technically an administrative arm of the State, exercising State powers, it is governed and effectively controlled by the City Council. The activities of the Redevelopment Agency are included with the Special Revenue Funds.

The North San Mateo County Sanitation District became a subsidiary district of the City on July 1, 1985. The activities of the District are reported in the Sanitation District Enterprise Fund.

The activities of the Daly City Public Facilities Financing Corporation (Corporation) are included in the basic financial statements of the respective Sanitation District Enterprise Fund and Water Utility Enterprise Fund in proportion to the activities carried out on their behalf because the City Council sits as the Board of this entity. The City established the Corporation to facilitate the issuance of Certificates of Participation, currently consisting of a capacity expansion project in the North San Mateo County Sanitation District and various expansion and upgrade projects in the Water Utility. The Corporation acts as a conduit for the leasing of the associated facilities of the utilities in order to allow the issuance of their respective Certificates of Participation (See Note 5).

Note 3.**COMMITMENTS AND CONTINGENCIES**

At June 30, 2009, the City had made commitments of approximately \$3.3 million for construction work, legal and consulting fees, and purchases of supplies and equipment.

Note 4.**CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City's policy is to capitalize all assets with costs exceeding \$25,000 for infrastructure, \$5,000 for all other classes of capital assets, and with useful lives exceeding two years.

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

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

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

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

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

A. CAPITAL ASSET ADDITIONS AND RETIREMENTS

Capital assets at June 30 comprise:

	Balance June 30, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
Governmental activities:					
Capital assets not being depreciated:					
Land	\$20,705,468				\$20,705,468
Construction in progress	1,880,710	\$1,888,292	(\$622,257)	(\$207,340)	2,939,405
Total capital assets not being depreciated	<u>22,586,178</u>	<u>1,888,292</u>	<u>(622,257)</u>	<u>(207,340)</u>	<u>23,644,873</u>
Capital assets being depreciated:					
Buildings & improvements	55,324,464	67,342			55,391,806
Streets & infrastructure	63,038,031	141,507		93,689	63,273,227
Vehicles, equipment, furniture and fixtures	18,002,424	1,727,920	(309,214)	113,651	19,534,781
Park structures and improvements	5,611,852				5,611,852
Total capital assets being depreciated	<u>141,976,771</u>	<u>1,936,769</u>	<u>(309,214)</u>	<u>207,340</u>	<u>143,811,666</u>
Less accumulated depreciation for:					
Buildings & improvements	17,154,798	1,689,154			18,843,952
Streets & infrastructure	38,036,320	1,601,875			39,638,195
Vehicles, equipment, furniture and fixtures	10,950,254	1,496,961	(304,101)		12,143,114
Park structures and improvements	1,068,719	226,232			1,294,951
Total accumulated depreciation	<u>67,210,091</u>	<u>5,014,222</u>	<u>(304,101)</u>		<u>71,920,212</u>
Net depreciable assets	<u>74,766,680</u>	<u>(3,077,453)</u>	<u>(5,113)</u>	<u>207,340</u>	<u>71,891,454</u>
Governmental activity capital assets, net	<u>\$97,352,858</u>	<u>(\$1,189,161)</u>	<u>(\$627,370)</u>		<u>\$95,536,327</u>

The gross cost of the capital assets acquired through capital leases are as follows:

Building & improvements	\$1,184,477
Equipment and fixtures	253,422

	Balance June 30, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$2,862,549				\$2,862,549
Construction in progress	1,830,296	\$4,774,099		(\$251,545)	6,352,850
Total capital assets not being depreciated	4,692,845	4,774,099		(251,545)	9,215,399
Capital assets being depreciated:					
Buildings	7,471,495	52,098		59,375	7,582,968
Sewage facilities	54,527,090				54,527,090
Wells & pump stations	6,940,874	70,526			7,011,400
Water reservoirs	7,308,827		(\$50,000)		7,258,827
Mains & subsurface lines	36,169,451	63,553			36,233,004
Equipment	7,585,511	568,867	(41,147)	192,170	8,305,401
Furniture and fixtures	50,518				50,518
Total capital assets being depreciated	120,053,766	755,044	(91,147)	251,545	120,969,208
Less accumulated depreciation for:					
Buildings	3,534,623	242,745			3,777,368
Sewage facilities	26,627,998	1,000,286			27,628,284
Wells & pump stations	2,291,449	175,571			2,467,020
Water reservoirs	3,294,072	134,343	(46,917)		3,381,498
Mains & subsurface lines	9,222,945	1,150,707			10,373,652
Equipment	4,095,808	504,852	(32,917)		4,567,743
Furniture and fixtures	47,141	3,118			50,259
Total accumulated depreciation	49,114,036	3,211,622	(79,834)		52,245,824
Net depreciable assets	70,939,730	(2,456,578)	(11,313)	251,545	68,723,384
Business-type activity capital assets, net	<u>\$75,632,575</u>	<u>\$2,317,521</u>	<u>(\$11,313)</u>		<u>\$77,938,783</u>

B. CAPITAL ASSET CONTRIBUTIONS

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

C. DEPRECIATION ALLOCATION

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

Governmental Activities	
General government	\$489,794
Public safety	274,132
Public works	8,715
Culture and recreation	1,558,185
Economic and community development	4,593
Streets and infrastructure	1,616,217
Capital assets held by the City's internal service funds charged to the various functions based on their usage of the assets	<u>1,062,586</u>
Total Governmental Activities	<u><u>\$5,014,222</u></u>
Business-Type Activities	
Water Utility	\$1,149,384
Sanitation District	1,830,556
Civic Center	187,978
Transfer Station	<u>43,704</u>
Total Business-Type Activities	<u><u>\$3,211,622</u></u>

Note 5.**LONG-TERM DEBT**

Changes in Long-Term Debt for the fiscal year ended June 30, 2009, are as follows:

	Original Issue Amount	Balance June 30, 2008	Retirements	Balance June 30, 2009	Current Portion
<i>Governmental Activity Debt</i>					
2002 Capital Lease, 4.69%, due fiscal year 2011	\$1,184,477	\$395,330	\$125,785	\$269,545	\$131,684
Housing & Urban Development Section 108 Loan 2.31%-6.01%, due 2023	4,500,000	4,074,000	162,000	3,912,000	174,000
2004 Series A-1 Pension Obligation Bonds 2.650%-5.896%, due 2024	36,235,000	34,520,000	660,000	33,860,000	790,000
Redevelopment Agency:					
2007 California Housing Finance Agency Loan 3%, due 2017	1,500,000	904,670		904,670	
Promissory Note - Gigli Property 5.5%, due 2011	2,480,000	2,480,000		2,480,000	
Total Governmental Activity		42,374,000	947,785	41,426,215	1,095,684
<i>Business-Type Activity Debt</i>					
2002 Certificates of Participation 2%-2.5%, due 2009	10,475,000	855,000	855,000		
State Water Resources Control Board Loan 2.5%, due 2025	4,450,128	3,961,157	189,849	3,771,308	194,596
2004 Certificates of Participation 3%-5%, due 2024	9,860,000	8,415,000	385,000	8,030,000	395,000
Total Business-Type Activity		13,231,157	1,429,849	11,801,308	589,596
Total City Long-Term Obligations		\$55,605,157	\$2,377,634	\$53,227,523	\$1,685,280

On August 13, 2001, the City entered into a \$1,184,477 capital lease agreement to fund the Civic Center Energy Management Project to improve the lighting, heating and ventilation of the building. Principal and interest payments are due annually on August 13 until fiscal year 2011. Debt service is repayable from Capital Project Fund resources. As of June 30, 2009 total principal and interest remaining on the capital lease is \$288,653.

During fiscal 2004 the City entered into a \$4,500,000 note payable agreement guaranteed under the Department of Housing and Urban Development's (HUD) Section 108 Loan Guarantee Program. Proceeds from the note were used to finance the design and construction of the Bayshore Community Center. Principal payments are due annually on August 1; interest payments are due semi-annually on August 1 and February 1. Debt service is payable from future Block Grant monies. The City has pledged certain future grants revenue under Section 106 and Section 108(q) for which the City may become eligible and program income generated directly from the use of the loan funds to repay the note. As of June 30, 2009 total principal and interest remaining on the note is \$5,700,004. For fiscal year 2009, principal and interest paid were \$377,989 and total block grant revenues were \$1,387,481.

On June 1, 2004, the City, through the California Statewide Communities Development Authority, issued \$36,235,000 of Taxable Pension Obligation Bonds, Series A-1, to prepay the City's unfunded PERS accrued actuarial liability of \$35,600,000. Principal is due annually on June 1 and interest is due semiannually on June 1 and December 1, through June 1, 2024. Debt service is payable from available City resources. For fiscal year 2009, principal and interest paid were \$2,635,746.

On January 30, 2007, the City's Redevelopment Agency entered into a loan agreement with California Housing Finance Agency in amount of \$1,500,000 to assist the Agency in operating a local revolving loan program which provides short-term financing for the development of homeownership and multifamily rental projects. The loan bears a simple interest rate of 3% per annum. All principal and interest payments are deferred for ten years. The balance of the loan as of June 30, 2009 is \$965,940, which consists of \$904,670 principal and \$61,270 accrued interest.

On October 2, 2007, the City's Redevelopment Agency entered into loan payable agreement with the Estate of Frank Gigli in the amount of \$2,480,000 for the acquisition of a property. The loan bears a simple interest rate of 5.5% per annum. Interest payments of \$11,367 are due monthly until November 1, 2011. The total principal in the amount of \$2,480,000 is due on November 1, 2011.

On October 17, 2002, the City, through the Daly City Public Facilities Financing Corporation, issued \$10,475,000 of 2002 Certificates of Participation to retire the 1992 Refunding Certificates of Participation. Principal is due annually on June 1 and interest is due semiannually on June 1 and December 1, through June 1, 2009. Debt service was payable from Sanitation District Enterprise Fund revenues. This debt was fully repaid on June 1, 2009.

On November 18, 2003 the City authorized a loan in the amount of \$4,450,128, plus accrued interest, from the California State Water Resources Control Board. Proceeds from the loan were used for construction of tertiary treatment facilities and distribution pipelines in the City's Sanitation District. Principal and interest are due annually on December 1 through December 1, 2024. As long as the loan is outstanding, the City has pledged the Sanitation District Enterprise Fund revenues net of the operations and maintenance expenses but excluding depreciation and amortization, as defined in the loan agreement. As of June 30, 2009 total principal and interest remaining on the note is \$4,622,055. For fiscal year 2009, principal and interest paid were \$288,878 and total Sanitation District Enterprise net revenues were \$2,987,409.

On June 24, 2004 the City, through the Daly City Public Facilities Financing Corporation, issued \$9,860,000 of 2004 Certificates of Participation to fund the Bayshore Water Utility Master Plan Project, to provide expanded service to the Bayshore area as well as to provide emergency interconnection and water system redundancy in the City. Principal is due annually on June 1 and interest is due semiannually on June 1 and December 1, through June 1, 2024. Debt service is payable from Water Utility Enterprise Fund revenues. The City has pledged the Water Utility Enterprise Fund revenues net of the operations and maintenance expenses but excluding depreciation and amortization, as defined in the indenture. As of June 30, 2009 total principal and interest remaining on the certificates is \$11,314,600. For fiscal year 2009, principal and interest paid were \$755,284 and total net revenues were \$563,496.

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

Year ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$1,095,684	\$2,304,016	\$589,596	\$451,092
2011	1,253,861	2,251,754	609,461	431,414
2012	3,759,000	2,110,017	629,447	411,052
2013	1,462,000	1,987,214	654,557	390,004
2014	1,657,000	1,909,566	674,797	366,965
2015-2019	12,764,670	8,173,723	3,772,270	1,444,515
2020-2024	19,434,000	3,565,650	4,589,347	633,257
2025			281,833	7,048
	<u>\$41,426,215</u>	<u>\$22,301,940</u>	<u>\$11,801,308</u>	<u>\$4,135,347</u>

Note 6.

CURRENT INTERFUND BALANCES

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2009 the amounts of current interfund balances were as follows:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	
General Fund	Community Block Grant Special Revenue Fund	<u>\$23,516</u>

LONG-TERM INTERFUND BALANCES

Loans payable from the Redevelopment Agency to the General Fund have no scheduled repayment date. Management has prepared a cash flow projection of redevelopment activities through fiscal 2024. This projection indicates that funds should be available to repay the above loans, including interest, prior to the expiration of the project areas. Loans currently bear interest at 3.779 percent and this rate is adjusted annually based on the LAIF rate as defined in the agreement between the Agency and the City. The fiscal 2009 additions to loans payable amounted to \$1,108,164 of interest, as the terms of the agreement stipulate that any unpaid interest shall be added to the principal. During fiscal 2009, the Agency repaid the City \$2,500,000 in interest. At June 30, 2009, the total amount of loans payable from the Agency to the General Fund was \$28,205,637.

INTERFUND TRANSFERS

Transfers between funds during the fiscal year ended June 30, 2009 were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Transfer Amount</u>
General Fund	Capital Projects Fund	\$152,520
	Nonmajor Governmental Funds	693,670
	Internal Service Funds	507,422
Gas Tax Special Revenue Fund	General Fund	2,297,603
Redevelopment Agency Special Revenue Fund	General Fund	467,444
Capital Projects Fund	Internal Service Funds	4,380
	General Fund	701,160
Water Utility Enterprise Fund	Capital Projects Fund	1,250
	Sanitation District Enterprise Fund	1,500,189
	Internal Service Funds	1,665
Sanitation District Enterprise Fund	General Fund	952,011
	Capital Projects Fund	160,000
	Internal Service Funds	403,411
Nonmajor Governmental Funds	Capital Projects Fund	4,080
Nonmajor Enterprise Funds	General Fund	781,265
	Capital Projects Fund	81,026
Internal Service Funds	General Fund	720,703
	Capital Projects Fund	151,646
	Internal Service Funds	11,910
		<u>\$9,593,355</u>

The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund. General Fund transfers out typically represent an operating subsidy or in the case of grants, a match of another fund's expenditures.

INTERNAL BALANCES

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

Note 7.

RETIREMENT PLAN

CALPERS Safety and Miscellaneous Employees Plans

All employees meeting PERS membership requirements must participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. 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. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under the Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2009, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>Redevelopment Agency Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Benefits, as a % of annual salary for each credited service year	2.4%-3.0%	2.0%-3.0%	2.0%-2.7%
Required employee contribution rates	9%	8%	7%
Required employer contribution rates	14.901%	14.920%	0%

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS.

The City prepaid its pension contributions with proceeds from the 2004 Series A-1 Pension Obligation Bonds (See Note 5). These prepaid contributions are reflected in the accompanying financial statements as Prepaid PERS Pension Contributions which amounted to \$30,345,863 at June 30, 2009. During fiscal 2008-2009, the amortization of the prepayment amounted to \$1,563,562. Annual Pension Costs, representing the amortization of Prepaid PERS Pension Contribution and payment of all contributions required by CALPERS, for the years ended June 30, 2009, 2008 and 2007 amounted to \$8,938,331, \$8,408,187 and \$8,191,809, respectively. The City uses an internal service fund to accumulate the debt service payments required for the Pension Obligation Bonds, charging an internal contribution rate as a percent of payroll in addition to the required contribution rates shown above.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payrolls on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

Three-year historical trend information is presented below:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2007	\$8,191,809	100%	---
2008	8,408,187	100%	---
2009	8,938,331	100%	---

The Plans' actuarial value (which differs from market value) and funding progress over the past three years is set forth below:

Safety Plan:

<u>Actuarial Valuation Date</u>	<u>Entry Age Accrued Liability</u>	<u>Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded (Overfunded) Liability as % of Payroll</u>
6/30/2005	\$161,905,563	\$156,740,636	\$5,164,927	96.8%	\$17,273,192	29.9%
6/30/2006	171,284,562	166,908,479	4,376,083	97.4%	17,534,165	25.0%
6/30/2007	183,192,204	178,543,217	4,648,987	97.5%	18,164,611	25.6%

Miscellaneous Plan:

<u>Actuarial Valuation Date</u>	<u>Entry Age Accrued Liability</u>	<u>Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded (Overfunded) Liability as % of Payroll</u>
6/30/2005	\$144,665,255	\$132,624,755	\$12,040,500	91.7%	\$25,187,952	47.8%
6/30/2006	155,204,623	144,596,957	10,607,666	93.2%	25,793,494	41.1%
6/30/2007	171,135,115	159,550,441	11,584,674	93.2%	26,627,170	43.5%

As required by new State law, effective July 1, 2005, the City's Miscellaneous Redevelopment Agency Plan was terminated, and the plan was required by CALPERS to join a new State-wide pool. One of the conditions of entry was that the City true-up any unfunded liabilities or overfunded assets in the former Plan, either by paying cash or by increasing or decreasing its future contribution rates through a Side Fund offered by CALPERS.

Audited annual financial statements and ten year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Note 8.

POST EMPLOYMENT BENEFITS OTHER THAN PENSION

By City Council resolution the City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). Required retiree medical plan contributions are also governed by PEMCHA for member agencies.

The City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEMCHA. Benefits continue for surviving spouses in amounts as required by PEMCHA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$120 to \$125 per month in lieu of contributions to the CalPERS plan. As of June 30, 2009, approximately 322 retirees were eligible and were receiving retiree health care benefits from the City. There were approximately 520 active employees that should they meet requirements will be eligible to receive health care benefits upon retirement.

During fiscal year 2009, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes uniform financial reporting standards for employers providing other postemployment benefits (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements.

A. FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

The annual required contribution (ARC) was determined as part of a January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included 4.50% investment rate of return, 3.25% projected annual salary increase, and 4.5% to 9.3% health cost inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

B. FUNDING PROGRESS AND FUNDED STATUS

In fiscal year 2009, the City made contributions toward the ARC and amortized its net OPEB obligation as presented below:

Annual required contribution (ARC) and Annual OPEB cost	\$3,074,749
Contributions made:	
City's portion of current year premiums paid	<u>1,295,915</u>
Contributions less than the ARC	<u>1,778,834</u>
Net OPEB Obligation June 30, 2008	<u>0</u>
Net OPEB Obligation June 30, 2009	<u><u>\$1,778,834</u></u>

The Plan's annual required contributions and actual contributions for the year ended June 30, 2009 is set forth below:

Fiscal Year	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/2009	\$3,074,749	1,295,915	42%	\$1,778,834

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the January 1, 2009 actuarial study is presented below:

Valuation Date	Actuarial		Unfunded Accrued Liability	Funded Ratio
	Value of Assets	Accrued Liability		
1/1/2009	\$0	\$38,226,000	(\$38,226,000)	0%

Note 9.

DEFERRED COMPENSATION PLAN

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

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

Note 10.

SELF-INSURANCE

The Self-Insurance Internal Service Fund was established as of January 1, 1979 to provide for payment of workers' compensation claims. At July 1, 1979, the Fund was expanded to consolidate essentially all of the City's risk management programs. Fund revenues consist of interest earnings, reimbursements of claims paid by the fund and charges to other funds. The latter is intended to match the charges for insurance premiums for coverage in excess of self-insured amounts, estimated payments resulting from self-insurance programs, operating expenses and the provision of reserves for pending and possible future claims.

The City has a self-insured retention for the first \$250,000 of general and automobile liability claims and maintains a \$10,000 deductible for property losses. Losses in excess of the retention up to \$19,750,000 on general and automobile liability are covered by purchased excess insurance. The City purchases combined property, boiler and machinery and automobile comprehensive insurance covering all but the deductible on the full value of City property. Settlements have never exceeded insurance coverage. The City expenses the incurred liabilities for claims in cases where such amounts are reasonably determinable and where the likelihood of liability exists. Included are estimates for incurred but not reported claims, which are calculated based on claims experience. In addition, the City has reserved remaining net assets (which provision is not charged to expense) for possible future claims.

In February 2003, the City joined the California Public Entity Insurance Authority (CPEIA), a joint powers authority (JPA) which provides excess workers' compensation liability claims coverage above the City's self-insured retention of \$350,000 per occurrence. Losses above the self-insured retention are pooled with excess reinsurance purchased to a \$300,000,000 limit. CPEIA was established for the purpose of creating a risk management pool for all California public entities. In 2008, CPEIA merged with its parent JPA, California State Association of Counties' Excess Insurance Authority (CSAC-EIA) which is governed by a Board of Directors consisting of representatives of its member public entities. During the fiscal year ended June 30, 2009, the City contributed \$194,202 to CSAC-EIA for current year coverage. Audited financial statements for CSAC-EIA are available from CSAC-EIA at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, CA 95670.

The City's liability for uninsured claims including a provision for claims incurred but not reported was computed as follows based on claims experience for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Beginning balance of claims payable	\$1,704,933	\$2,122,344
Increase in estimated claims liability	1,479,402	1,553,693
Claims paid	<u>(1,356,671)</u>	<u>(1,971,104)</u>
Ending balance of claims payable	<u>\$1,827,664</u>	<u>\$1,704,933</u>
Current Portion	<u>\$968,315</u>	<u>\$931,640</u>

Note 11.

NET ASSETS

Net Assets is the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

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

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

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

RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

The term "reserve" is used to indicate that a portion of reported fund equity is legally restricted to a specific use or not available for appropriation or expenditure. The City will sometimes designate portions of unreserved fund equity based on tentative future spending plans. Such plans are subject to change, have not been legally authorized and may not result in expenditures. Unreserved, undesignated portions of fund equity represent financial resources legally available for uses other than those tentatively planned.

The City has reserved and designated fund equity as follows:

Reserved for Encumbrances - to reflect outstanding contractual obligations for which goods and services have not been received.

Reserved for Inventories, Prepaids, Notes Receivable, Long-term Interfund Receivables and Property Held for Redevelopment - to reflect that prepaid expenditures, inventories, long-term notes receivable and land held for investment do not constitute available spendable resources in the governmental funds.

Reserved for Restricted Purposes - the City receives grants and other revenues legally restricted for certain functions.

Reserved for Imprest Cash Funds - these amounts represent revolving petty cash funds maintained in various City departments to facilitate small, nonroutine, purchases of goods.

Designated for Equipment Replacement – these monies are set aside in accordance with the depreciation schedule for a specific piece of equipment. The reserve for equipment replacement increases generally in the same amount as depreciation charged in each of the internal service and enterprise funds and decreases when monies are used to buy replacement equipment.

Designated for Possible Future Claims – the City has a self-insurance fund that is explained in Note 10. Monies have been set aside in this reserve in the event that the City will be found liable for future claims for personal injury or accident or other significant damage within the City.

Designated for Capital Projects - these funds represent amounts anticipated to be expended in the upcoming fiscal year for capital projects.

Designated for Operating Capital - these amounts represent estimates of the cash required for expenditures in various funds which are necessary to bridge the time period between year-end and the receipt of major revenues, such as property taxes and sewer service fees billed with property taxes.

At June 30, 2009, the City had made the following Enterprise Funds fund equity designations:

	Water Utility	Civic Center	Transfer Station	Sanitation District
Unrestricted, designated for:				
Equipment replacement	\$4,769,179	\$2,426,104	\$1,039,635	\$9,101,287
Operating capital				8,500,000
Capital projects	753,032			2,738,365
Unrestricted, undesignated	1,169,790	10,750	144,571	601,151
 Total unrestricted net assets	 <u>\$6,692,001</u>	 <u>\$2,436,854</u>	 <u>\$1,184,206</u>	 <u>\$20,940,803</u>

At June 30, 2009, the City had made the following Internal Service Funds fund equity designations:

	Motor Vehicles	Central Services	PBX	Information Services	Self- Insurance
Unrestricted, designated for:					
Equipment replacement	\$891,818	\$26,036	\$648,884	\$1,214,806	
Capital projects	393,468			180,831	
Possible future claims					\$5,041,666
Unrestricted, undesignated			19,583		
Total unrestricted net assets	<u>\$1,285,286</u>	<u>\$26,036</u>	<u>\$668,467</u>	<u>\$1,395,637</u>	<u>\$5,041,666</u>

Note 12.

LOANS AND NOTES RECEIVABLE

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

During fiscal 2009 the City made loans to 4 participants under this program. Fiscal 2009 CDBG loan program activity is as follows:

Beginning Balance	\$655,588
New loans	65,381
Loan repayments	<u>(120,379)</u>
Ending Balance	<u>\$600,590</u>

Note 13.

DEVELOPMENT AGREEMENTS

Landmark Site - Mission Street

This is a two-phase office, retail and residential development. The first phase consists of approximately 17,000 s.f. of retail space along Mission Street and 95 residential condominiums. At least 15% of the residential units will be provided as affordable housing units. The first phase also includes 395 off-street parking spaces to serve employees, customers, residents and visitors of the War Memorial Community Center. A portion of the parking spaces will be available for the second phase of the project. The second phase is proposed for 76,000 s.f. +/- of office and retail space when supported by the market.

During fiscal 2008, due to declining home sales prices as well as a dramatic increase in construction costs, the project fell into financial difficulty. Under the existing terms of the DDA, the developer was required to share with the Agency any increase in gross sales proceeds over a fixed price threshold negotiated many years earlier. This price threshold was based on pricing associated with anticipated housing sale prices in 2004-2006 and was so low in today's housing sales market that, even with declining sales prices, the Agency's participation, if realized, would have eliminated any return to the developer and, in fact, cause it to go negative. This was unacceptable to the developer as well as lenders considering refinancing the project for the additional \$12M +/- in cost increases. In an attempt to save this project from foreclosure, the Agency and developer renegotiated the participation clause in DDA to give both parties a modest return, assuming housing prices stabilized in the near term. The Agency's participation also had to be fully subordinated to the construction lender (the same as the original DDA) and partially subordinated to any supplemental lenders approved by the Agency.

Over the last fiscal year, construction has slowed somewhat, but is anticipated to be completed by the end of calendar year 2009.

The majority of the Landmark sight has been vacant or underutilized for decades. Ultimately, this project will stimulate local commerce, provide affordable ownership housing, provide ample parking for private and public uses, and set architectural standards for the area. This highly visible project brings a host of amenities that will set an example for future development and investment in the area to make this location a major activity center and "gateway" to Mission Street.

El Rancho Site

During fiscal 2004, the Agency entered into a Development Agreement with a developer under which the developer is to construct a mixed-use project consisting of approximately 14,780 square feet of ground floor commercial space, 87 affordable senior housing apartments and six single family homes, commonly known as the El Rancho Site. The Agency committed to \$300,000 in low/moderate income housing set-aside funds to assist in the predevelopment costs for affordable senior housing of the project, of which \$150,000 has been paid by the Agency. As a part of the agreement, the developer agreed to set aside \$150,000 of proceeds from each of the six single family homes upon their sale to be used to insure the development of the mixed-use portion of the project. If the developer does not obtain a certificate of occupancy for the senior affordable housing component by February 2011, the funds from the home sales would be disbursed to the Agency to be used for other affordable housing projects. In addition, any portion of the \$300,000 in Agency low/moderate income housing set-aside funds that have been distributed to the developer for predevelopment costs would be reimbursed to the Agency.

During fiscal 2006, the developer, upon determining the economic infeasibility of the affordable senior project, redesigned the project to include 72 condominiums, of which 15% would be affordable, and 14,750 square feet of ground floor commercial spaces. This change requires the repayment of \$150,000 to the Agency. The developer has secured the necessary planning entitlements and has secured an additional partner to finance and complete the project. Construction of the project began in 2007 and is anticipated to be completed in 2009.

In fiscal 2008 construction was well underway; however, existing primary transmission power lines impeded completion of development. The Agency assisted in relocation of these power lines by negotiating an easement with the Cow Palace and the State of California. This insured the ability of the project to proceed and be completed including the provision of 11 BMR for-sale housing units.

In the latter portion of fiscal 2009, the Agency informed the developers that they were in default of the Development Agreement (DA) for failing to repay the \$150,000 in affordable housing funds that were disbursed under the DA,

As of June 30, 2009, the project is 90% complete and should be ready for occupancy during fiscal 2010.

Development of housing and new commercial space on this site will remove an obsolete use and bring new vitality to an economically distressed area.

Parkview Clubhouse

In April of 2009 the Agency entered into a Disposition and Development Agreement (DDA) with Habitat for Humanity Greater San Francisco (Habitat) to develop two units of affordable housing on the former Parkview Clubhouse site. The site is owned by the Agency and consists of 3,000 square feet.

Habitat will build two detached, three-bedroom, single family dwellings. As proposed, the subject buildings will be two stories, accommodate two off-street parking spaces per dwelling unit and include a landscaped front yard area.

Pursuant to Habitat's mission, the homes will be made available to households with incomes at or below 50 percent of the area median, with a preference for households whose members live and/or work in Daly City. Habitat will provide zero percent interest mortgages to ensure that housing payments, which include loan principal, homeowner's insurance, real estate taxes and utilities, do not exceed 30 percent of a household's income. Selected households will be required to provide 500 hours of sweat equity toward the purchase of their new homes. The units will remain affordable for a minimum of 45 years.

The Agency will sell to Habitat the Parkview Clubhouse at its cost of \$190,000, representing a discount of \$110,000 in the land price relative to its appraised market value of \$300,000. Redevelopment Agency Housing Set-Aside funds for the purpose of site acquisition will be offered in the form of a forgivable 45-year zero interest loan. In addition, the City intends to provide \$150,000 in HOME funds as a development subsidy to the project, also in the form of forgivable 45-year zero interest loan.

Habitat has committed to a fundraising goal of approximately \$529,000 in order to meet the total estimated project development cost of \$970,000. Construction of the project will begin in late calendar 2009 and will be completed in approximately 12 months.

The Parkview units are being constructed on property that was formerly a city-owned clubhouse but had been vacant for several years and was in a state of deterioration. The site had become underutilized and unattractive. Construction of the Parkview homes will remove blight, provide two affordable housing units and bring new vitality to the neighborhood.

7555 Mission Street

In June of 2009 the Agency entered into a Disposition and Development Agreement (DDA) with Habitat for Humanity Greater San Francisco (Habitat) to develop 36 units of affordable housing on an Agency-owned site located at 7555 Mission Street. The site is immediately adjacent to the Colma BART Station and consists of 30,000 square feet currently occupied by an auto repair shop and a car rental agency.

Under the terms of the DDA, Habitat will build 36 affordable condominium units. The subject buildings will be three stories over a parking podium and provide 57 off street parking spaces. The development also includes a 12,800 square foot landscaped outdoor common area with a gazebo and playground. Habitat is exploring opportunities to incorporate green building practices into the project to ensure that the development will use energy, water and materials wisely, minimize construction waste, be durable and easily maintained, and promote good health for both those constructing the units as well as those who ultimately occupy them. Offering residents transit-oriented and affordable homeownership opportunities in condominiums that have healthier indoor environments and are substantially more energy efficient means that less of their income will go towards energy and transportation costs, while living in an environment that safeguards their health and well-being.

The proposed project represents an opportunity to develop a unique project. It will be one that contains all the attributes of Smart Growth principles, including compact building design, provision of a variety of transportation choices, infill development, mixture of land uses, encouragement of community and stakeholder collaboration, and the fostering of a distinctive, attractive community with a strong sense of place, as well as one that incorporates the benefits of green building principles.

Pursuant to Habitat's mission, the homes will be made available to households with incomes at or below 60 percent of the area median, with a preference for households whose members live and/or work in Daly City. Habitat will provide zero percent interest mortgages to ensure that housing payments, which include loan principal, homeowner's insurance, real estate taxes and utilities, do not exceed 30 percent of a household's income. Selected households will be required to provide 500 hours of sweat equity toward the purchase of their new homes. The units will remain affordable for a minimum of 45 years.

The total estimated development cost for the proposed project is \$17.5 million. As is typically the case with Habitat projects, a significant portion of this cost will be covered through a major fundraising effort on the part of Habitat. The developer will pursue local fundraising as well as donated labor and materials. In addition, Habitat anticipates grant funding for the project from outside agencies. In July 2008, Habitat received an award of \$1,756,000 from the State Proposition 1C Infill program to finance construction of the parking podium within the proposed project. Overall, through its grant writing and fundraising efforts, Habitat will raise approximately \$9.5 million or 54 percent of the project cost.

To ensure the overall financial feasibility of the project, the Agency is providing funding in the amount of \$3,932,937 (\$3,034,137 for land and \$898,800 for development subsidy). In addition, the City will provide a total of \$1,264,328 in HOME funds. City and Agency funds will be provided in the form of 45-year zero interest loans.

Preparation of the site for the proposed development will involve relocation of existing tenants, demolition, soil remediation and water infrastructure improvements. One of the tenants, an auto dealer, was relocated and paid relocation benefits in the amount of \$26,770 in June of 2008. There remain two businesses on the property. Staff is currently involved in relocation efforts to ensure that these tenants are relocated pursuant to State requirements, if possible, to another Daly City location.

Overall, site preparation costs for tenant relocation, soil remediation, building demolition and water service improvements are estimated to be \$600,000. Site preparation activities will be carried out at the City's expense, utilizing CDBG funds prior to transfer of the property to Habitat.

Construction of the project will begin in the Spring of 2010 and should be completed in approximately 3 years.

The 7555 Mission Street units are being constructed on a key transit-oriented site that is underutilized and somewhat neglected physically. Construction of 36 housing units at this site will remove blight, set architectural standards for the area and provide greatly needed affordable housing.

Note 14.

FUND DEFICIT

The Redevelopment Agency Special Revenue Fund, Building Maintenance Internal Service Fund and the PERS Contributions Internal Service Fund had deficits amounting to \$2,629,073, \$443,810 and \$1,605,011, respectively at June 30, 2009. The deficits will be eliminated with future revenues.

Note 15

SUBSEQUENT EVENT

The State of California adopted ABX4 26 in July 2009 which directs a portion of the incremental property taxes received by redevelopment agencies be paid to the County Supplemental Educational Revenue Augmentation Fund (SERAF) in fiscal years 2009-10 and 2010-11. The State Department of Finance will determine each agency's SERAF payment by November 15 of each year, and payments are due by May 10 of the applicable year. Based on the calculations in ABX4 26, the Agency's payments are estimated to be \$2,430,124 in fiscal year 2009-10 and \$500,320 in fiscal year 2010-11. The Agency can use any legally available funds to make the SERAF payments. The payment due in fiscal year 2009-10 represents 40% of the Agency's cash and investments available for operations at June 30, 2009. The obligation to make the SERAF payment is subordinate to obligations to repay bonds. However, if the Agency fails to make a SERAF payment the Agency may not encumber or expend future funds other than to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on Agency administration for the preceding fiscal year until the SERAF payments are paid in full.

The requirement to pay these amounts is currently uncertain, as a similar action by the State was determined to be unconstitutional in 2008. The California Redevelopment Association is heading an effort to have ABX4 26 also declared unconstitutional. It is anticipated that a lawsuit will be filed before the end of November 2009.

<p>MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS</p>

Capital Projects Fund – to account for financial resources to be used for the acquisition, construction or rehabilitation of major capital assets other than those financed by Proprietary Funds.

CITY OF DALY CITY
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Rents and interest		\$170,222	\$170,222
Receipts from other agencies	\$277,849	27,849	(250,000)
Charges and fees	521,935	432,775	(89,160)
Miscellaneous	267,150	325,975	58,825
Total Revenues	<u>1,066,934</u>	<u>956,821</u>	<u>(110,113)</u>
EXPENDITURES			
Capital projects	6,598,795	2,447,298	4,151,497
Debt Service:			
Principal	125,785	125,785	
Interest	18,541	18,541	
Total Expenditures	<u>6,743,121</u>	<u>2,591,624</u>	<u>4,151,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,676,187)</u>	<u>(1,634,803)</u>	<u>4,041,384</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	555,832		(555,832)
Transfers in	1,211,996	550,522	(661,474)
Transfers out	(14,380)	(4,380)	10,000
Total Other Financing Sources (Uses)	<u>1,753,448</u>	<u>546,142</u>	<u>(1,207,306)</u>
NET CHANGE IN FUND BALANCES	<u>(\$3,922,739)</u>	<u>(1,088,661)</u>	<u>\$2,834,078</u>
BEGINNING FUND BALANCE		<u>16,614,114</u>	
ENDING FUND BALANCE		<u>\$15,525,453</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

The City's Special Revenue Funds are as follows:

- Doelger Senior Center - to account for the operations of the Doelger Senior Center program.
- Community Block Grant - to account for monies received by the City as a participant in the federal Community Development Block Grant (CDBG) program.
- Linda Vista Benefit Assessment - to account for the charges and for the costs of maintenance of storm drains in the Linda Vista Subdivision.
- AB 1600 Public Facility Fees - to account for the revenues derived from developer fees required, under AB 1600, to be expended for infrastructure expansion caused by new development.
- Traffic Safety – to account for grant funds and vehicle impound fees authorized by State law specifically to provide traffic safety programs.
- Grants - to account for miscellaneous grant monies, such as HOME, law enforcement special grants, and after school safety grants.
- Peninsula Partnership – to account for the combined efforts of the City, the County of San Mateo, and local school districts to provide a multifaceted after school program for pre-kindergartners through third grade.
- Traffic Enforcement – to account for traffic fines collected from red light violations and associated program costs.

CITY OF DALY CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

SPECIAL REVENUE FUNDS

	Doelger Senior Center	Community Block Grant	Linda Vista Benefit Assessment	AB 1600 Public Facility Fees	Traffic Safety
ASSETS					
Cash and investments	\$25,650		\$251,184	\$2,863,919	\$109,276
Accounts receivable, net	8,141	\$102,707			
Notes receivable		600,590			
Total Assets	<u>\$33,791</u>	<u>\$703,297</u>	<u>\$251,184</u>	<u>\$2,863,919</u>	<u>\$109,276</u>
LIABILITIES					
Accounts payable	\$27,374	\$76,559			\$2,506
Accrued payroll	6,417	2,632			
Due to other funds		23,516			
Deferred revenue		600,590			
Total Liabilities	<u>33,791</u>	<u>703,297</u>			<u>2,506</u>
FUND BALANCES					
Reserved for:					
Encumbrances		18,420			
Restricted purposes			\$251,184	\$2,863,919	106,770
Imprest cash funds	1,485				
Unreserved, Undesignated	<u>(1,485)</u>	<u>(18,420)</u>			
Total Fund Balances			<u>251,184</u>	<u>2,863,919</u>	<u>106,770</u>
Total Liabilities and Fund Balances	<u>\$33,791</u>	<u>\$703,297</u>	<u>\$251,184</u>	<u>\$2,863,919</u>	<u>\$109,276</u>

Grants	Peninsula Partnership	Traffic Enforcement	Total Nonmajor Governmental Funds
\$131,359		\$49,163	\$3,430,551
247,550		7,849	366,247
			600,590
<u>\$378,909</u>		<u>\$57,012</u>	<u>\$4,397,388</u>
\$12,148		\$12,000	\$130,587
382			9,431
			23,516
			600,590
<u>12,530</u>		<u>12,000</u>	<u>764,124</u>
366,379		45,012	18,420
			3,633,264
			1,485
			(19,905)
<u>366,379</u>		<u>45,012</u>	<u>3,633,264</u>
<u>\$378,909</u>		<u>\$57,012</u>	<u>\$4,397,388</u>

CITY OF DALY CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

SPECIAL REVENUE FUNDS

	Doelger Senior Center	Community Block Grant	Linda Vista Benefit Assessment	AB 1600 Public Facility Fees	Traffic Safety
REVENUES					
Fines and forfeitures					
Rents and interest			\$1,995	\$29,143	
Federal programs and grants	\$88,669	\$1,261,233			
Receipts from other agencies					
Charges and fees	385,914		25,183	1,142,825	\$75,763
Miscellaneous	160,287	126,248			
Total Revenues	634,870	1,387,481	27,178	1,171,968	75,763
EXPENDITURES					
Public safety					42,489
Public works			20,965		
Culture and recreation	1,254,846				
Economic and community development		1,009,492			
Debt service:					
Principal		162,000			
Interest		215,989			
Total Expenditures	1,254,846	1,387,481	20,965		42,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(619,976)		6,213	1,171,968	33,274
OTHER FINANCING SOURCES (USES)					
Transfers in	624,056				
Transfers out	(4,080)				
Total Other Financing Sources (Uses)	619,976				
NET CHANGE IN FUND BALANCES			6,213	1,171,968	33,274
BEGINNING FUND BALANCES			244,971	1,691,951	73,496
ENDING FUND BALANCES (DEFICIT)			\$251,184	\$2,863,919	\$106,770

<u>Grants</u>	<u>Peninsula Partnership</u>	<u>Traffic Enforcement</u>	<u>Total Nonmajor Governmental Funds</u>
		\$130,412	\$130,412
			31,138
\$208,646			1,558,548
565,022	\$588,430		1,153,452
			1,629,685
	618		287,153
<u>773,668</u>	<u>589,048</u>	<u>130,412</u>	<u>4,790,388</u>
158,772		85,400	286,661
			20,965
456,915	813,096		2,524,857
50,856			1,060,348
			162,000
			215,989
<u>666,543</u>	<u>813,096</u>	<u>85,400</u>	<u>4,270,820</u>
<u>107,125</u>	<u>(224,048)</u>	<u>45,012</u>	<u>519,568</u>
	69,614		693,670
			(4,080)
	69,614		689,590
107,125	(154,434)	45,012	1,209,158
259,254	154,434		2,424,106
<u>\$366,379</u>	<u></u>	<u>\$45,012</u>	<u>\$3,633,264</u>

CITY OF DALY CITY
 BUDGETED NONMAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	DOELGER SENIOR CENTER			COMMUNITY BLOCK GRANT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Fines and forfeitures						
Rents and interest						
Federal programs and grants	\$71,335	\$88,669	\$17,334	\$1,767,799	\$1,261,233	(\$506,566)
Receipts from other agencies						
Charges and fees	406,652	385,914	(20,738)			
Miscellaneous	158,408	160,287	1,879	84,000	126,248	42,248
Total Revenues	636,395	634,870	(1,525)	1,851,799	1,387,481	(464,318)
EXPENDITURES						
Public Safety						
Salaries and benefits						
Services and supplies						
Capital outlay						
Other charges						
Total Public Safety						
Public Works						
Services and supplies						
Capital outlay						
Total Public Works						
Culture and Recreation						
Salaries and benefits	615,124	637,547	(22,423)			
Services and supplies	637,099	609,095	28,004			
Capital outlay						
Other charges	8,908	8,204	704			
Total Culture and Recreation	1,261,131	1,254,846	6,285			
Economic and Community Development						
Salaries and benefits				471,583	467,247	4,336
Services and supplies				594,799	393,609	201,190
Capital outlay				140,946	8,306	132,640
Other charges				266,482	140,330	126,152
Debt Service:						
Principal				162,000	162,000	
Interest				215,989	215,989	
Total Economic and Community Development				1,851,799	1,387,481	464,318
Total Expenditures	1,261,131	1,254,846	6,285	1,851,799	1,387,481	464,318
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(624,736)	(619,976)	4,760			
OTHER FINANCING SOURCES (USES)						
Transfers in	641,169	624,056	(17,113)			
Transfers out	(4,080)	(4,080)				
Total Other Financing Sources (Uses)	637,089	619,976	(17,113)			
NET CHANGE IN FUND BALANCES	\$12,353		(\$12,353)			
BEGINNING FUND BALANCES						
ENDING FUND BALANCES (DEFICIT)						

CITY OF DALY CITY
 BUDGETED NONMAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	GRANTS			PENINSULA PARTNERSHIP		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Fines and forfeitures						
Rents and interest						
Federal programs and grants	\$1,807,048	\$208,646	(\$1,598,402)			
Receipts from other agencies	536,859	565,022	28,163	\$703,745	\$588,430	(\$115,315)
Charges and fees						
Miscellaneous				25,000	618	(24,382)
Total Revenues	2,343,907	773,668	(1,570,239)	728,745	589,048	(139,697)
EXPENDITURES						
Public Safety						
Salaries and benefits	298,985	77,710	221,275			
Services and supplies	526,582	66,856	459,726			
Capital outlay	9,563	8,299	1,264			
Other charges	10,440	5,907	4,533			
Total Public Safety	845,570	158,772	686,798			
Public Works						
Services and supplies						
Capital outlay						
Total Public Works						
Culture and Recreation						
Salaries and benefits	410,565	364,183	46,382	622,872	368,442	254,430
Services and supplies	188,329	92,607	95,722	148,940	133,154	15,786
Capital outlay	2,000		2,000	4,500	4,335	165
Other charges	6,000	125	5,875	7,969	307,165	(299,196)
Total Culture and Recreation	606,894	456,915	149,979	784,281	813,096	(28,815)
Economic and Community Development						
Salaries and benefits	49,393	49,876	(483)			
Services and supplies	448,877		448,877			
Capital outlay	537,117	980	536,137			
Other charges						
Debt Service:						
Principal						
Interest						
Total Economic and Community Development	1,035,387	50,856	984,531			
Total Expenditures	2,487,851	666,543	1,821,308	784,281	813,096	(28,815)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(143,944)	107,125	251,069	(55,536)	(224,048)	(168,512)
OTHER FINANCING SOURCES (USES)						
Transfers in				69,614	69,614	
Transfers out						
Total Other Financing Sources (Uses)				69,614	69,614	
NET CHANGE IN FUND BALANCES	(\$143,944)	107,125	\$251,069	\$14,078	(154,434)	(\$168,512)
BEGINNING FUND BALANCES		259,254			154,434	
ENDING FUND BALANCES (DEFICIT)		\$366,379				

TRAFFIC ENFORCEMENT		
Budget	Actual	Variance Positive (Negative)
	\$130,412	\$130,412
	130,412	130,412
	85,400	(85,400)
	85,400	(85,400)
	85,400	(85,400)
	45,012	45,012
	45,012	\$45,012
	<u>\$45,012</u>	



NONMAJOR PROPRIETARY FUNDS

The City maintains the following nonmajor enterprise funds:

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

CITY OF DALY CITY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Civic Center</u>	<u>Transfer Station</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and investments	\$2,396,669	\$1,179,411	\$3,576,080
Accounts receivable, net	55,830	4,795	60,625
Total Current Assets	<u>2,452,499</u>	<u>1,184,206</u>	<u>3,636,705</u>
Capital Assets:			
Land	1,695,762	93,384	1,789,146
Buildings	5,568,728	1,184,278	6,753,006
Equipment	472,428	232,367	704,795
Total Capital Assets	<u>7,736,918</u>	<u>1,510,029</u>	<u>9,246,947</u>
Less accumulated depreciation	<u>(3,057,625)</u>	<u>(1,039,635)</u>	<u>(4,097,260)</u>
Net Capital Assets	<u>4,679,293</u>	<u>470,394</u>	<u>5,149,687</u>
Total Assets	<u>7,131,792</u>	<u>1,654,600</u>	<u>8,786,392</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>15,645</u>		<u>15,645</u>
NET ASSETS			
Invested in capital assets	4,679,293	470,394	5,149,687
Unrestricted	<u>2,436,854</u>	<u>1,184,206</u>	<u>3,621,060</u>
Total Net Assets	<u>\$7,116,147</u>	<u>\$1,654,600</u>	<u>\$8,770,747</u>

CITY OF DALY CITY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Civic Center</u>	<u>Transfer Station</u>	<u>Total</u>
OPERATING REVENUES			
Rental income	\$1,011,711		\$1,011,711
Lease revenue		\$375,000	375,000
Other revenues	73,060	90,191	163,251
	<u>1,084,771</u>	<u>465,191</u>	<u>1,549,962</u>
OPERATING EXPENSES			
Services and supplies	409,886		409,886
Utilities	134,769		134,769
Insurance	8,697	3,450	12,147
Depreciation	187,978	43,704	231,682
Other charges		18,833	18,833
	<u>741,330</u>	<u>65,987</u>	<u>807,317</u>
Total Operating Expenses	<u>741,330</u>	<u>65,987</u>	<u>807,317</u>
Operating Income	<u>343,441</u>	<u>399,204</u>	<u>742,645</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	27,397		27,397
Gain (loss) on disposal of capital assets	(8,230)		(8,230)
	<u>19,167</u>		<u>19,167</u>
Total Nonoperating Revenues (Expenses)	<u>19,167</u>		<u>19,167</u>
Income Before Transfers	362,608	399,204	761,812
Transfers out	(414,593)	(447,698)	(862,291)
Change in Net Assets	(51,985)	(48,494)	(100,479)
BEGINNING NET ASSETS	<u>7,168,132</u>	<u>1,703,094</u>	<u>8,871,226</u>
ENDING NET ASSETS	<u><u>\$7,116,147</u></u>	<u><u>\$1,654,600</u></u>	<u><u>\$8,770,747</u></u>

CITY OF DALY CITY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Civic Center	Transfer Station	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,103,666	\$480,987	\$1,584,653
Payments to suppliers	(553,260)	(22,283)	(575,543)
	<u>550,406</u>	<u>458,704</u>	<u>1,009,110</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(414,593)	(447,698)	(862,291)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of capital assets	(69,775)		(69,775)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	27,397		27,397
	93,435	11,006	104,441
Cash and investments at beginning of period	2,303,234	1,168,405	3,471,639
Cash and investments at end of period	<u>\$2,396,669</u>	<u>\$1,179,411</u>	<u>\$3,576,080</u>
Reconciliation of operating income to net cash flows from operating activities:			
Operating income	\$343,441	\$399,204	\$742,645
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	187,978	43,704	231,682
Change in assets and liabilities:			
Accounts receivable	18,895	15,796	34,691
Accounts payable	92		92
Cash Flows from Operating Activities	<u>\$550,406</u>	<u>\$458,704</u>	<u>\$1,009,110</u>

INTERNAL SERVICE FUNDS

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

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

The City's Internal Service Funds are:

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

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	Motor Vehicles	Central Services	PBX	Building Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$1,418,805	\$87,241	\$655,036	\$128,208
Cash with fiscal agent				
Accounts receivable, net	7,250			
Inventories	108,189	36,320		14,502
Prepays			22,128	
Total Current Assets	<u>1,534,244</u>	<u>123,561</u>	<u>677,164</u>	<u>142,710</u>
Long-Term Assets				
Prepaid PERS contribution				
Capital Assets:				
Land				
Construction in progress	28,109			
Buildings	35,817			
Equipment	12,860,432	287,290	490,792	42,064
Furniture and fixtures				6,093
Total Capital Assets	<u>12,924,358</u>	<u>287,290</u>	<u>490,792</u>	<u>48,157</u>
Less Accumulated Depreciation	<u>(7,521,436)</u>	<u>(194,741)</u>	<u>(424,507)</u>	<u>(36,981)</u>
Net Capital Assets	<u>5,402,922</u>	<u>92,549</u>	<u>66,285</u>	<u>11,176</u>
Total Assets	<u>6,937,166</u>	<u>216,110</u>	<u>743,449</u>	<u>153,886</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	56,567	13,263	8,697	47,662
Accrued payroll	10,076	2,107		173,986
Interest payable				
Accrued claims payable				
PERS obligation bonds				
Total Current Liabilities	<u>66,643</u>	<u>15,370</u>	<u>8,697</u>	<u>221,648</u>
Long-Term Liabilities:				
Compensated absences	133,618	67,276		280,750
Accrued claims payable				
OPEB Obligation	48,697	14,879		95,298
PERS obligation bonds				
Total Long-Term Liabilities	<u>182,315</u>	<u>82,155</u>		<u>376,048</u>
Total Liabilities	<u>248,958</u>	<u>97,525</u>	<u>8,697</u>	<u>597,696</u>
NET ASSETS				
Invested in capital assets	5,402,922	92,549	66,285	11,176
Restricted for debt service				
Unrestricted	<u>1,285,286</u>	<u>26,036</u>	<u>668,467</u>	<u>(454,986)</u>
Total Net Assets (Deficit)	<u>\$6,688,208</u>	<u>\$118,585</u>	<u>\$734,752</u>	<u>(\$443,810)</u>

Information Services	Self-Insurance	PERS Contributions	Total
\$1,677,680	\$6,946,843	\$2,063,452	\$12,977,265
		7,839	7,839
			7,250
			159,011
20,279			42,407
<u>1,697,959</u>	<u>6,946,843</u>	<u>2,071,291</u>	<u>13,193,772</u>
		30,345,863	30,345,863
	378,343		378,343
1,044,384			1,072,493
			35,817
1,838,331			15,518,909
46,614			52,707
<u>2,929,329</u>	<u>378,343</u>		<u>17,058,269</u>
(1,350,627)			(9,528,292)
<u>1,578,702</u>	<u>378,343</u>		<u>7,529,977</u>
<u>3,276,661</u>	<u>7,325,186</u>	<u>32,417,154</u>	<u>51,069,612</u>
186,049	76,378		388,616
7,700	1,135		195,004
		162,165	162,165
	968,315		968,315
		790,000	790,000
<u>193,749</u>	<u>1,045,828</u>	<u>952,165</u>	<u>2,504,100</u>
84,359			566,003
	859,349		859,349
24,214			183,088
		33,070,000	33,070,000
<u>108,573</u>	<u>859,349</u>	<u>33,070,000</u>	<u>34,678,440</u>
<u>302,322</u>	<u>1,905,177</u>	<u>34,022,165</u>	<u>37,182,540</u>
1,578,702	378,343		7,529,977
		7,839	7,839
1,395,637	5,041,666	(1,612,850)	6,349,256
<u>\$2,974,339</u>	<u>\$5,420,009</u>	<u>(\$1,605,011)</u>	<u>\$13,887,072</u>

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Motor Vehicles	Central Services	PBX	Building Maintenance
OPERATING REVENUES				
Charges to City departments	\$3,568,508	\$542,402	\$203,131	\$3,602,373
Other revenues	96,485	4,838	976	354,907
Total Operating Revenues	3,664,993	547,240	204,107	3,957,280
OPERATING EXPENSES				
Salaries and benefits	1,082,707	304,396		2,906,247
Services and supplies	1,345,302	235,594	31,979	632,792
Utilities	22,121	526	137,521	191,372
Insurance	283,746	753		3,262
Claims and settlements				
Depreciation	869,709	30,291	24,331	7,846
Other charges	23,469	928	16,100	2,883
Total Operating Expenses	3,627,054	572,488	209,931	3,744,402
Operating Income (Loss)	37,939	(25,248)	(5,824)	212,878
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on disposal of capital assets	2,820			
Amortization				
Interest income	14,478	489	7,363	1,116
Interest expense				
Total Nonoperating Revenues (Expenses)	17,298	489	7,363	1,116
Income (Loss) Before Transfers	55,237	(24,759)	1,539	213,994
Transfers in	825,872	75,891		
Transfers out	(150,681)	(33,779)	(1,673)	(311,830)
Net Transfers	675,191	42,112	(1,673)	(311,830)
Change in Net Assets	730,428	17,353	(134)	(97,836)
BEGINNING NET ASSETS (DEFICITS)	5,957,780	101,232	734,886	(345,974)
ENDING NET ASSETS (DEFICITS)	\$6,688,208	\$118,585	\$734,752	(\$443,810)

<u>Information Services</u>	<u>Self- Insurance</u>	<u>PERS Contributions</u>	<u>Total</u>
\$2,340,937	\$3,313,382	\$2,872,980	\$16,443,713
150	245,610		702,966
<u>2,341,087</u>	<u>3,558,992</u>	<u>2,872,980</u>	<u>17,146,679</u>
1,368,229	186,322		5,847,901
707,924	183,686	7,678	3,144,955
32,902	624		385,066
1,416	892,116		1,181,293
	1,479,402		1,479,402
130,409			1,062,586
86,253	1,003		130,636
<u>2,327,133</u>	<u>2,743,153</u>	<u>7,678</u>	<u>13,231,839</u>
<u>13,954</u>	<u>815,839</u>	<u>2,865,302</u>	<u>3,914,840</u>
(222,257)			(219,437)
		(1,563,562)	(1,563,562)
17,455	73,466	7,939	122,306
		(1,973,265)	(1,973,265)
<u>(204,802)</u>	<u>73,466</u>	<u>(3,528,888)</u>	<u>(3,633,958)</u>
<u>(190,848)</u>	<u>889,305</u>	<u>(663,586)</u>	<u>280,882</u>
27,025			928,788
(120,092)	(266,204)		(884,259)
<u>(93,067)</u>	<u>(266,204)</u>		<u>44,529</u>
(283,915)	623,101	(663,586)	325,411
<u>3,258,254</u>	<u>4,796,908</u>	<u>(941,425)</u>	<u>13,561,661</u>
<u>\$2,974,339</u>	<u>\$5,420,009</u>	<u>(\$1,605,011)</u>	<u>\$13,887,072</u>

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Motor Vehicles	Central Services	PBX	Building Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$3,670,987	\$547,240	\$204,107	\$3,996,366
Payments to suppliers	(1,656,989)	(260,500)	(202,234)	(833,173)
Payments to employees	(1,096,073)	(290,223)		(2,835,346)
Claims paid				
Cash Flows from Operating Activities	917,925	(3,483)	1,873	327,847
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on noncapital debt				
Interest paid on noncapital debt				
Transfers in	825,872	75,891		
Transfers out	(150,681)	(33,779)	(1,673)	(311,830)
Cash Flows from Noncapital Financing Activities	675,191	42,112	(1,673)	(311,830)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,347,949)	(20,074)		
Proceeds from sale of capital assets	7,933			
Cash Flows from Capital and Related Financing Activities	(1,340,016)	(20,074)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	14,478	489	7,363	1,116
Net Cash Flows	267,578	19,044	7,563	17,133
Cash and investments at beginning of period	1,151,227	68,197	647,473	111,075
Cash and investments at end of period	<u>\$1,418,805</u>	<u>\$87,241</u>	<u>\$655,036</u>	<u>\$128,208</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$37,939	(\$25,248)	(\$5,824)	\$212,878
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	869,709	30,291	24,331	7,846
Change in assets and liabilities:				
Receivables, net	5,994			39,086
Inventories	70,888	3,690		1,324
Prepays			(22,128)	
Accounts payable	(53,239)	(26,389)	5,494	(4,188)
Accrued claims payable				
Accrued payroll	(32,996)	(7,621)		94,326
Compensated absences	(29,067)	6,915		(118,723)
OPEB obligation	48,697	14,879		95,298
Cash Flows from Operating Activities	\$917,925	(\$3,483)	\$1,873	\$327,847

<u>Information Services</u>	<u>Self- Insurance</u>	<u>PERS Contributions</u>	<u>Total</u>
\$2,341,087	\$3,575,046	\$2,872,980	\$17,207,813
(715,926)	(1,101,810)	(7,678)	(4,778,310)
(1,354,229)	(190,711)		(5,766,582)
	(1,356,671)		(1,356,671)
<u>270,932</u>	<u>925,854</u>	<u>2,865,302</u>	<u>5,306,250</u>
		(660,000)	(660,000)
		(1,975,746)	(1,975,746)
27,025			928,788
(120,092)	(266,204)		(884,259)
<u>(93,067)</u>	<u>(266,204)</u>	<u>(2,635,746)</u>	<u>(2,591,217)</u>
(851,434)			(2,219,457)
			7,933
<u>(851,434)</u>			<u>(2,211,524)</u>
17,455	73,466	7,939	122,306
(656,114)	733,116	237,495	625,815
2,333,794	6,213,727	1,833,796	12,359,289
<u>\$1,677,680</u>	<u>\$6,946,843</u>	<u>\$2,071,291</u>	<u>\$12,985,104</u>
\$13,954	\$815,839	\$2,865,302	\$3,914,840
130,409			1,062,586
	16,054		61,134
			75,902
(20,279)			(42,407)
132,848	(24,381)		30,145
	122,731		122,731
(29,031)	(4,389)		20,289
18,817			(122,058)
24,214			183,088
<u>\$270,932</u>	<u>\$925,854</u>	<u>\$2,865,302</u>	<u>\$5,306,250</u>



AGENCY FUNDS

Agency funds are required to be presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and nonpublic organizations. These funds include the following:

- Billing Services - an agency fund to account for the cash temporarily held by the City in its role as billing agent for garbage collection services provided by Allied Waste Services.
- Peninsula Traffic Congestion Relief Alliance (PTCRA) - an agency fund to reflect cash held by the City in its role as fiscal agent for this agency. The PTCRA works with San Mateo County Cities to encourage use of public transportation.
- San Mateo Pre-Hospital Emergency Services Group (SMPHESG) - an agency fund to reflect cash held by the City in its role as fiscal agent for this agency. SMPHESG was established to provide paramedic first responder service as part of fire agencies' response to medical calls.
- Supporters of Senior Center – an agency fund to reflect cash held by the City in its role as fiscal agent for the Supporters of Doelger Senior Center, a private nonprofit organization benefiting seniors in Daly City.
- Peninsula Partnership – an agency fund to reflect cash held by the City in its role as fiscal agent for this 501(c)(3) public nonprofit organization that provides services to school age children.

CITY OF DALY CITY
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Billing Services</u>				
<u>Assets</u>				
Cash and investments	\$1,149,257	\$12,670,577	\$12,734,776	\$1,085,058
Receivables	1,139,351	2,867,758	2,711,039	1,296,070
Total Assets	<u>\$2,288,608</u>	<u>\$15,538,335</u>	<u>\$15,445,815</u>	<u>\$2,381,128</u>
<u>Liabilities</u>				
Accounts payable	<u>\$2,288,608</u>	<u>\$16,182,314</u>	<u>\$16,089,794</u>	<u>\$2,381,128</u>
<u>PTCRA</u>				
<u>Assets</u>				
Cash and investments	\$361,927	\$2,781,920	\$2,745,169	\$398,678
Receivables	259,485	221,923	259,485	221,923
Other assets	10,708	14,937	7,314	18,331
Total Assets	<u>\$632,120</u>	<u>\$3,018,780</u>	<u>\$3,011,968</u>	<u>\$638,932</u>
<u>Liabilities</u>				
Accounts payable	\$214,321	\$1,927,845	\$1,927,523	\$214,643
Due to others	417,799	2,703,279	2,696,789	424,289
Total Liabilities	<u>\$632,120</u>	<u>\$4,631,124</u>	<u>\$4,624,312</u>	<u>\$638,932</u>
<u>SMPHESG</u>				
<u>Assets</u>				
Cash and investments	\$999,183	\$3,473,836	\$4,033,759	\$439,260
Receivables	2,500	3,515,871	3,438,920	79,451
Total Assets	<u>\$1,001,683</u>	<u>\$6,989,707</u>	<u>\$7,472,679</u>	<u>\$518,711</u>
<u>Liabilities</u>				
Accounts payable	\$68,454	\$3,656,610	\$3,706,638	\$18,426
Due to others	933,229	3,443,528	3,876,472	500,285
Total Liabilities	<u>\$1,001,683</u>	<u>\$7,100,138</u>	<u>\$7,583,110</u>	<u>\$518,711</u>

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Supporters of Senior Center</u>				
<u>Assets</u>				
Cash and investments	\$54,575	\$318,082	\$298,588	\$74,069
<u>Liabilities</u>				
Accounts payable	\$38,857	\$62,744	\$93,251	\$8,350
Due to others	15,718	339,943	289,942	65,719
Total Liabilities	\$54,575	\$402,687	\$383,193	\$74,069

Peninsula Partnership

<u>Assets</u>				
Cash and investments	\$45,769	\$1,038,274	\$985,128	\$98,915
Receivables	87,624	220,117	87,624	220,117
Other assets	885		885	
Total Assets	\$134,278	\$1,258,391	1,073,637	\$319,032
<u>Liabilities</u>				
Accounts payable	\$8,873	\$146,665	\$145,858	\$9,680
Due to others	125,405	1,163,946	979,999	309,352
Total Liabilities	\$134,278	\$1,310,611	\$1,125,857	\$319,032

TOTAL - ALL AGENCY FUNDS

<u>Assets</u>				
Cash and investments	\$2,610,711	\$20,282,689	\$20,797,420	\$2,095,980
Receivables	1,488,960	6,825,669	6,497,068	1,817,561
Other assets	11,593	14,937	8,199	18,331
Total Assets	\$4,111,264	\$27,123,295	\$27,302,687	\$3,931,872
<u>Liabilities</u>				
Accounts payable	\$2,619,113	\$21,976,178	\$21,963,064	\$2,632,227
Due to others	1,492,151	7,650,696	7,843,202	1,299,645
Total Liabilities	\$4,111,264	\$29,626,874	\$29,806,266	\$3,931,872



STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Continuing Disclosure Requirements:
 - a. Debt Service Coverage Schedule

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION - (Continued)
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Operating Information

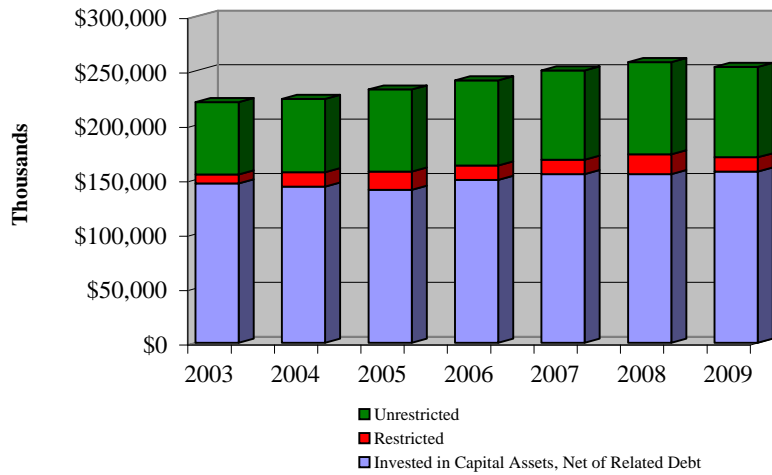
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF DALY CITY
Net Assets by Component
Last Seven Fiscal Years
(Accrual Basis of Accounting)



	June 30,				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$74,918,083	\$79,115,127	\$83,777,323	\$90,109,445	\$93,379,579
Restricted	7,225,405	12,231,497	7,361,686	6,304,192	9,032,201
Unrestricted	58,271,382	49,372,484	55,142,657	57,663,215	57,260,439
Total governmental activities net assets	\$140,414,870	\$140,719,108	\$146,281,666	\$154,076,852	\$159,672,219
Business-type activities					
Invested in capital assets, net of related debt	\$71,690,579	\$64,624,867	\$57,054,050	\$59,625,501	\$61,675,498
Restricted	1,047,654	1,047,605	9,252,661	6,978,418	4,371,497
Unrestricted	8,261,377	17,813,030	20,407,241	20,678,496	24,848,980
Total business-type activities net assets	\$80,999,610	\$83,485,502	\$86,713,952	\$87,282,415	\$90,895,975
Primary government					
Invested in capital assets, net of related debt	\$146,608,662	\$143,739,994	\$140,831,373	\$149,734,946	\$155,055,077
Restricted	8,273,059	13,279,102	16,614,347	13,282,610	13,403,698
Unrestricted	66,532,759	67,185,514	75,549,898	78,341,711	82,109,419
Total primary government net assets	\$221,414,480	\$224,204,610	\$232,995,618	\$241,359,267	\$250,568,194
2008					
Governmental activities					
Invested in capital assets, net of related debt	\$92,883,528	\$91,354,782			
Restricted	13,869,264	13,104,841			
Unrestricted	54,502,547	51,980,355			
Total governmental activities net assets	\$161,255,339	\$156,439,978			
Business-type activities					
Invested in capital assets, net of related debt	\$62,401,418	\$66,137,475			
Restricted	4,218,833	4,597			
Unrestricted	30,305,199	31,253,864			
Total business-type activities net assets	\$96,925,450	\$97,395,936			
Primary government					
Invested in capital assets, net of related debt	\$155,284,946	\$157,492,257			
Restricted	18,088,097	13,109,438			
Unrestricted	84,807,746	83,234,219			
Total primary government net assets	\$258,180,789	\$253,835,914			

CITY OF DALY CITY
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)

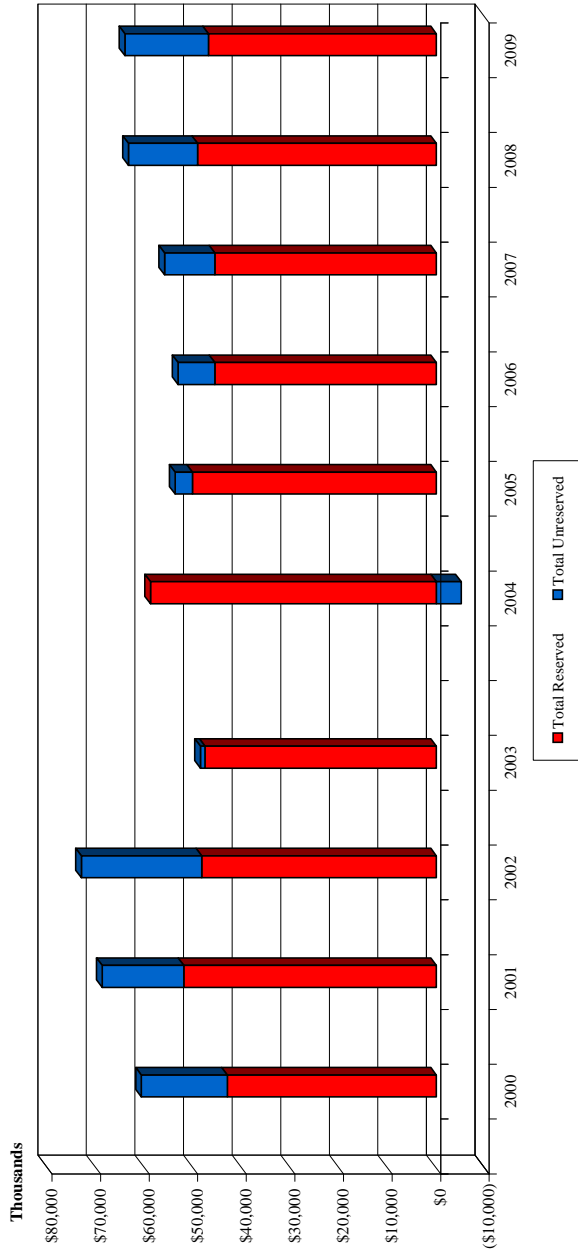
	For The Fiscal Years Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$3,861,142	\$7,049,253	\$7,864,080	\$8,170,802	\$7,444,142	\$8,370,140	\$9,401,885
Public safety	29,896,315	31,706,399	36,824,085	34,815,945	39,270,270	41,515,902	42,404,296
Public works	5,819,840	5,808,559	6,454,908	7,099,777	6,429,617	6,277,793	6,526,712
Streets and infrastructure	1,909,043	2,296,403	2,647,535	2,346,510	3,567,017	4,496,272	3,823,885
Culture and recreation	11,471,728	12,118,778	12,239,462	14,319,938	14,817,138	17,185,257	17,045,290
Economic and community development	10,272,554	6,718,322	8,509,016	10,254,528	8,033,736	6,802,421	9,274,398
Nondepartmental	407,667	277,871	304,420	275,911	287,243		
Interest on long term debt	1,032,337	667,851	626,872	1,058,505	1,640,993	1,926,468	1,498,377
Total governmental activities expenses:	64,670,626	66,643,436	75,470,378	78,341,916	81,490,152	86,574,253	89,974,843
Business-type activities:							
Water	8,440,424	9,026,033	9,254,676	8,759,733	9,287,617	10,777,580	11,496,966
Civic center	626,682	654,354	675,630	606,319	615,099	598,634	749,560
Transfer station	1,270,705	1,291,865	1,290,494	1,514,890	1,322,444	1,005,081	65,987
Sanitation district	12,115,172	11,672,157	13,079,301	14,633,188	14,084,248	15,506,062	17,006,931
Total business-type activities expenses:	22,452,983	22,644,409	24,300,101	25,514,130	25,309,408	27,887,357	29,319,444
Total primary government expenses:	\$87,123,609	\$89,287,845	\$99,770,479	\$103,856,046	\$106,799,560	\$114,461,610	\$119,294,287
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$376,564	\$143,481	\$166,527	\$221,542	\$96,257	\$111,829	\$117,873
Public safety	3,658,856	4,066,392	4,285,174	4,456,640	4,029,069	3,676,585	4,953,076
Public works	2,044,763	1,849,348	1,967,014	1,736,993	1,176,476	959,193	1,123,139
Streets and infrastructure	1,179,774	998,664	1,140,519	967,326	1,111,118	1,076,212	1,247,967
Culture and recreation	2,466,170	2,810,198	2,731,652	2,483,548	2,674,550	2,848,327	2,975,580
Economic and community development	2,215,902	2,143,008	2,459,591	2,386,374	2,673,444	2,333,758	2,717,488
Nondepartmental	288,268	932,656	2,145,568	352,195	795,596	\$454,839	462,733
Operating grants and contributions	12,013,823	8,504,372	10,036,375	11,296,078	10,128,248	9,780,388	7,310,809
Capital grants and contributions	2,997,194	597,162	1,173,226	4,628,183	1,504,218	2,306,965	534,330
Total governmental activities program revenues:	27,241,314	22,045,281	26,105,646	28,528,879	24,188,976	23,548,096	21,442,995
Business-type activities:							
Charges for services:							
Water	10,202,528	10,914,100	11,206,380	10,930,958	12,030,977	12,960,840	12,752,887
Civic center	869,306	892,122	918,213	933,137	959,500	985,189	1,011,711
Transfer station	1,591,840	1,615,257	1,613,410	1,616,423	1,622,442	2,086,047	375,000
Sanitation district	13,114,197	13,269,512	14,191,177	13,900,269	15,273,552	16,858,914	16,410,870
Operating grants and contributions	385,293						
Capital grants and contributions	1,430,442		1,426,912				
Total business-type activities program revenues:	27,593,606	26,690,991	29,356,092	27,380,787	29,886,471	32,890,990	30,550,468
Total primary government program revenue:	\$54,834,920	\$48,736,272	\$55,461,738	\$55,909,666	\$54,075,447	\$56,439,086	\$51,993,463
Net (Expense)/Revenue							
Governmental activities	(\$37,429,312)	(\$44,598,155)	(\$49,364,732)	(\$49,813,037)	(\$57,301,176)	(\$63,026,157)	(\$68,531,848)
Business-type activities	5,140,623	4,046,582	5,055,991	1,866,657	4,577,063	5,003,633	1,231,024
Total primary government net expense	(\$32,288,689)	(\$40,551,573)	(\$44,308,741)	(\$47,946,380)	(\$52,724,113)	(\$58,022,524)	(\$67,300,824)

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

	For The Fiscal Years Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	\$15,426,462	\$15,822,888	\$23,567,900	\$25,918,087	\$28,283,735	\$30,646,825	\$30,964,095
Sales taxes	8,949,909	8,972,708	9,294,700	9,619,289	10,677,978	11,411,106	10,520,797
Utility users tax	5,246,566	5,467,435	5,644,684	6,132,745	6,312,871	6,875,368	6,870,869
Franchise fees	2,281,204	2,471,180	2,534,935	2,680,415	2,736,020	2,788,859	3,378,546
Other taxes	1,927,177	2,068,815	2,232,036	3,877,653	3,918,576	3,919,957	4,134,141
Motor vehicle in-lieu	6,091,761	4,803,122	682,042	726,666	569,826	470,726	362,136
Investment earnings	3,503,897	713,346	2,024,600	2,530,208	4,259,540	4,013,587	1,703,334
Other revenues	941,110	373,413	4,352,038	1,566,401	2,028,616	2,514,957	2,700,781
Transfers	4,222,495	4,209,488	4,594,355	4,556,759	4,109,381	1,967,892	3,081,788
Total government activities	48,590,581	44,902,395	54,927,290	57,608,223	62,896,543	64,609,277	63,716,487
Business-type activities:							
Property taxes	939,013	1,026,537	1,136,181	1,188,249	1,300,831	\$1,389,793	1,452,957
Investment earnings	706,251	123,277	727,399	843,264	1,224,333	1,138,848	311,498
Other revenues	250,772	1,498,984	903,234	1,227,052	620,714	465,093	556,795
Transfers	(4,222,495)	(4,209,488)	(4,594,355)	(4,556,759)	(4,109,381)	(1,967,892)	(3,081,788)
Total business-type activities	(2,326,459)	(1,560,690)	(1,827,541)	(1,298,194)	(963,503)	1,025,842	(760,538)
Total primary government	\$46,264,122	\$43,341,705	\$53,099,749	\$56,310,029	\$61,933,040	\$65,635,119	\$62,955,949
Change in Net Assets							
Governmental activities	\$11,161,269	\$304,240	\$5,562,558	\$7,795,186	\$5,595,367	\$1,583,120	(\$4,815,361)
Business-type activities	2,814,164	2,485,892	3,228,450	568,463	3,613,560	6,029,475	470,486
Total primary government	\$13,975,433	\$2,790,132	\$8,791,008	\$8,363,649	\$9,208,927	\$7,612,595	(\$4,344,875)



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



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$20,781,004	\$21,133,806	\$20,806,148	\$20,567,853	\$20,204,534	\$21,342,822	\$21,757,037	\$21,610,095	\$21,565,875	\$21,566,507
Unreserved	8,524,065	11,167,827	11,365,284	11,679,539	11,843,779	14,448,324	17,954,473	20,026,623	21,845,434	21,782,963
Total General Fund	\$29,305,069	\$32,301,633	\$32,171,432	\$32,247,392	\$32,048,313	\$35,791,146	\$39,711,510	\$41,636,718	\$43,411,309	\$43,349,470 (a)
All Other Governmental Funds										
Reserved	\$22,250,442	\$30,877,790	\$27,499,700	\$27,048,025	\$38,657,154	\$28,849,256	\$23,828,456	\$23,997,000	\$27,576,108	\$25,361,720
Unreserved, reported in:										
Special revenue funds	(583,542)	(8,362,999)	(4,296,111)	(28,229,422)	(26,551,366)	(26,358,019)	(28,624,382)	(28,488,626)	(23,682,598)	(20,036,126)
Capital project funds	9,739,942	13,969,512	17,706,488	17,502,063	9,609,432	15,490,285	18,259,088	18,780,851	16,075,592	15,423,021
Total all other governmental funds	\$31,406,842	\$36,484,303	\$40,910,077	\$16,320,666	\$21,715,220	\$17,981,522	\$13,463,162	\$14,289,225	\$19,969,102	\$20,748,615 (a)
All Governmental Funds										
Total Reserved	\$43,031,446	\$52,011,596	\$48,305,848	\$47,615,878	\$58,861,688	\$50,192,078	\$45,585,493	\$45,607,095	\$49,141,983	\$46,928,227
Total Unreserved	17,680,465	16,774,340	24,775,661	952,180	(5,098,155)	3,580,590	7,589,179	10,318,848	14,238,428	17,169,858
Total All Governmental Funds:	\$60,711,911	\$68,785,936	\$73,081,509	\$48,568,058 (b)	\$53,763,533	\$53,772,668	\$53,174,672	\$55,925,943	\$63,380,411	\$64,098,085

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

(b) Decrease due to GASB 34 implementation: reclassification of City advance to Redevelopment Agency

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

For The Fiscal Year Ended June 30,

	2000	2001	2002	2003
Revenues				
Taxes	\$33,604,262	\$37,283,455	\$39,190,492	\$42,619,588
Licenses, permits and fees	1,261,249	1,717,826	1,550,157	1,710,137
Fines and forfeitures	1,743,307	1,952,893	1,919,172	2,468,498
Use of money and property	4,398,826	5,239,340	3,423,313	4,655,827
Intergovernmental revenues	6,628,930	5,742,356	11,113,990	15,423,663
Charges for services	8,124,716	8,484,939	8,429,965	7,323,517
Other	5,989,814	917,018	1,548,411	1,818,067
Total Revenues	61,751,104	61,337,827	67,175,500	76,019,297
Expenditures				
Current:				
General government	3,453,983	3,221,234	4,316,653	3,668,450
Public safety	22,536,109	24,477,735	26,244,842	29,289,862
Public works	3,967,831	4,344,717	4,728,791	5,343,382
Culture and recreation	8,351,000	9,198,923	10,483,474	10,895,484
Community development	12,707,618	5,712,316	9,632,934	10,205,969
Capital projects	7,361,191	11,600,677	12,070,574	10,260,963
Debt service:				
Principal repayment	1,197,207	527,813	144,326	95,542
Interest and fiscal charges	1,634,568	1,987,374	2,040,552	1,032,337
Total Expenditures	61,209,507	61,070,789	69,662,146	70,791,989
Excess (deficiency) of revenues over (under) expenditures	541,597	267,038	(2,486,646)	5,227,308
Other Financing Sources (Uses)				
Transfers in	17,410,215	14,605,237	14,820,229	13,598,763
Transfers out	(14,963,303)	(11,335,312)	(11,038,062)	(9,566,179)
Loan proceeds	4,818,097	516,282	2,130,399	
Sale of capital assets		4,020,780	869,653	774,194
Total other financing sources (uses)	7,265,009	7,806,987	6,782,219	4,806,778
Residual equity transfer out				
GASB 34 Implementation adjustment				(34,547,537)
Net Change in fund balances	\$7,806,606	\$8,074,025	\$4,295,573	(\$24,513,451)
Debt service as a percentage of noncapital expenditures	(a)	(a)	(a)	1.9%

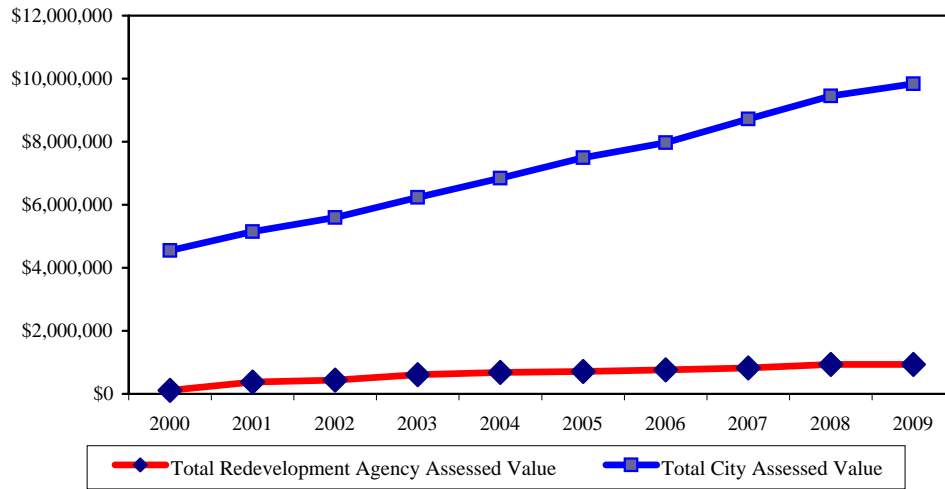
NOTE:

(a) The City implemented GASB Statement 34 in fiscal year 2003. Therefore this calculation is included only for that fiscal year and thereafter.

For The Fiscal Year Ended June 30,

2004	2005	2006	2007	2008	2009
\$42,083,182	\$46,437,398	\$51,409,010	\$54,942,019	\$58,503,214	\$58,265,663
1,538,705	1,840,586	1,779,575	1,850,696	1,558,126	1,728,788
2,584,331	2,584,993	2,527,979	2,106,353	1,986,902	2,638,628
3,973,562	4,134,619	3,682,476	5,069,211	5,837,640	4,223,929
6,294,903	7,334,878	11,217,670	8,267,077	8,736,129	4,887,424
7,407,716	7,576,630	7,347,459	7,037,911	6,853,338	8,133,070
2,086,069	5,286,001	6,594,371	3,129,369	3,202,504	3,590,101
65,968,468	75,195,105	84,558,540	82,402,636	86,677,853	83,467,603
6,275,456	7,885,826	7,867,397	7,483,067	7,664,184	8,464,269
29,348,401	34,599,971	34,747,286	37,591,200	40,150,051	41,096,189
5,554,845	5,838,199	6,111,691	5,766,831	5,790,515	5,627,447
11,422,401	11,050,212	12,132,440	13,361,317	14,189,456	14,993,277
6,728,371	8,437,272	14,053,768	8,089,467	6,854,996	9,193,905
9,358,983	13,750,189	12,009,663	9,754,278	6,209,739	4,645,217
100,023	104,714	361,522	256,767	272,150	287,785
667,851	626,872	1,058,505	1,519,210	1,906,552	1,479,099
69,456,331	82,293,255	88,342,272	83,822,137	83,037,643	85,787,188
(3,487,863)	(7,098,150)	(3,783,732)	(1,419,501)	3,640,210	(2,319,585)
11,814,022	12,124,753	8,833,353	8,718,603	7,413,734	7,164,378
(7,631,875)	(7,583,837)	(6,658,468)	(5,769,183)	(6,079,476)	(4,127,119)
4,500,000			904,670	2,480,000	
1,191	2,566,369	1,010,851	316,682		
8,683,338	7,107,285	3,185,736	4,170,772	3,814,258	3,037,259
\$5,195,475	\$9,135	(\$597,996)	\$2,751,271	\$7,454,468	\$717,674
1.3%	1.1%	1.8%	2.4%	2.8%	2.1%

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



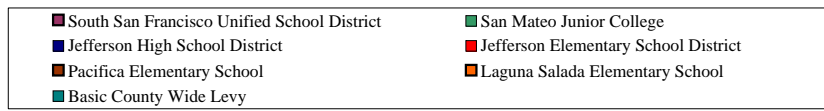
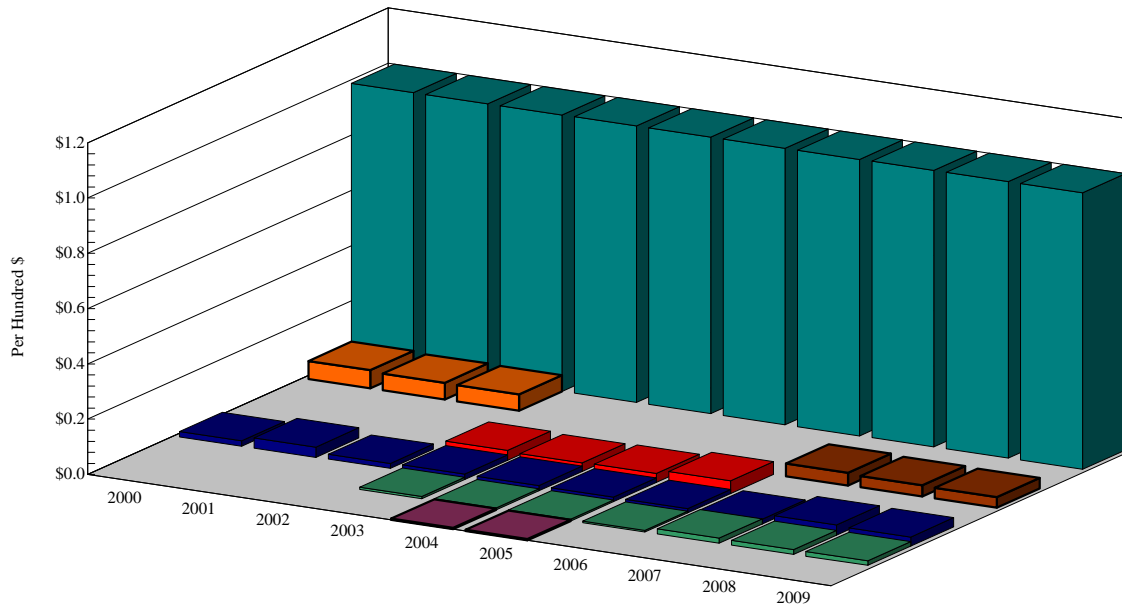
Fiscal Year Ended June 30	City			Total Assessed Value (1)	Redevelopment Agency			Total Assessed Value (1)	Total Direct Tax Rate (2)
	Secured	Unsecured	Exemptions		Secured	Unsecured	Exemptions		
2000	\$4,203,781	\$122,919	\$112,832	\$4,439,532	\$102,605	\$9,725	\$140	\$112,470	1.00%
2001	4,526,329	132,850	112,196	4,771,375	359,902	11,813	6,118	377,833	1.00%
2002	4,918,573	132,094	115,067	5,165,734	410,544	16,148	6,199	432,891	1.00%
2003	5,372,625	148,800	109,666	5,631,091	569,543	30,675	6,005	606,223	1.00%
2004	5,879,650	169,352	111,056	6,160,058	624,315	47,661	6,237	678,213	1.00%
2005	6,497,074	176,673	109,169	6,782,916	664,376	41,116	6,237	711,729	1.00%
2006	6,939,021	165,404	108,329	7,212,754	711,685	42,975	6,488	761,148	1.00%
2007	7,602,177	181,063	107,290	7,890,530	778,698	41,163	6,556	826,417	1.00%
2008	8,175,019	236,671	105,501	8,517,191	849,990	73,358	6,530	929,878	1.00%
2009	8,589,324	212,333	103,778	8,905,435	881,309	48,519	6,474	936,302	1.00%

(1) The State Constitution requires properties to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually. These values are considered to be full market values.

(2) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount by an annual calculation to all the taxing entities within a tax rate area.

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

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



Fiscal Year	Basic County Wide Levy	Jefferson Elementary School District	Jefferson High School District	San Mateo Junior College	So San Francisco Unified School District	Laguna Salada Elementary School	Pacifica Elementary School	Total
2000	\$1.0000		\$0.0193			\$0.0658		\$1.0851
2001	1.0000		0.0370			0.0607		1.0977
2002	1.0000		0.0181			0.0589		1.0770
2003	1.0000	\$0.0357	0.0194	\$0.0079				1.0630
2004	1.0000	0.0308	0.0187	0.0065	\$0.0042			1.0602
2005	1.0000	0.0329	0.0170	0.0065	0.0042			1.0606
2006	1.0000	0.0466	0.0153	0.0065				1.0684
2007	1.0000		0.0174	0.0184			\$0.0457	1.0815
2008	1.0000		0.0361	0.0171			0.0411	1.0943
2009	1.0000		0.0333	0.0165			0.0384	1.0882

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

The City of Daly City has 65 tax code areas, many with different rates because of differing school district boundaries. The highest tax rate is shown here.

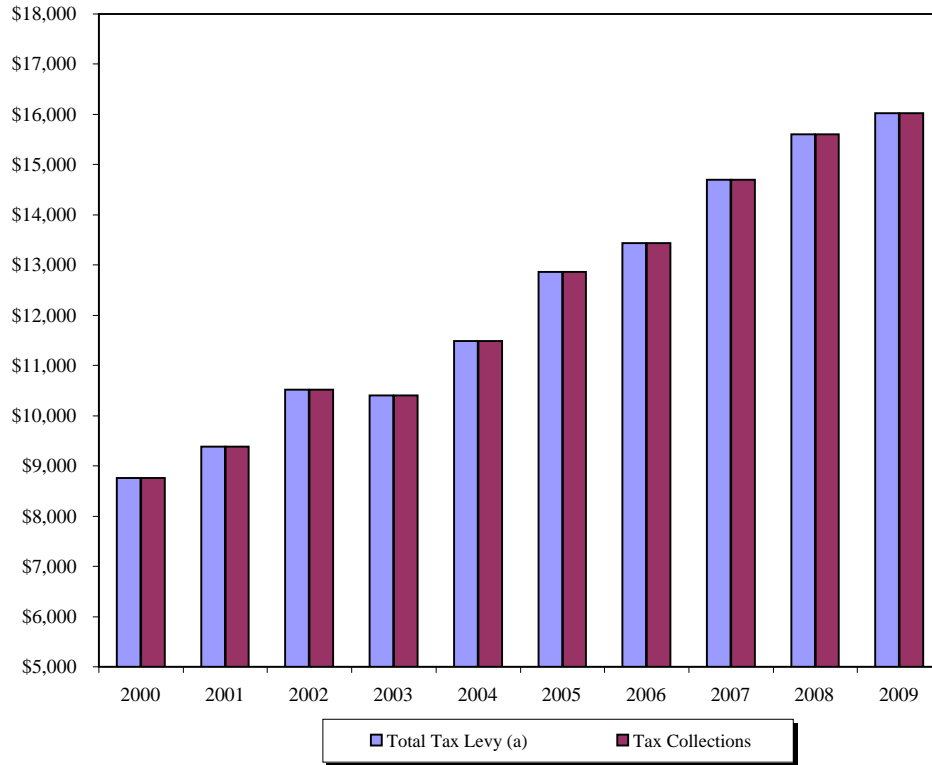
Source: San Mateo County Controller's Office Annual Publication: Tax Rates and Valuation of Taxable Property

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

<u>Taxpayer</u>	<u>2008-09</u>			<u>1999-2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Seton Medical Center	\$202,327,349	1	2.4%	\$143,606,736	1	3.4%
Westlake Kimco	141,337,279	2	1.6%			
Pacific Plaza	133,854,956	3	1.6%			
Daly City Serramonte Center, LLC	107,022,393	4	1.2%			
Westlake Associates (Apartments)	94,680,992	5	1.1%			
LINC Franciscan Mobile Home Park	47,364,985	6	0.6%			
Skyline Heights Partners	45,909,192	7	0.5%			
Serramonte Corporate Center (Kaiser)	37,337,433	8	0.4%			
Lavaca Portfolio Investors	32,737,309	9	0.4%	27,428,889	5	0.7%
Serramonte Plaza	30,972,611	10	0.4%	28,105,063	4	0.7%
Gelsar, Inc.				95,131,079	2	2.3%
John Daly Boulevard Associates, LP				52,211,305	3	1.2%
Daly City Partners				25,950,355	6	0.6%
Westlake Development Company, Inc.				17,365,779	7	0.4%
Lincoln Vista, LLC				15,662,364	8	0.4%
Bay Area Apartment Communities, Inc.				14,135,159	9	0.3%
Serramonte Medical Offices				14,000,000	10	0.3%
Subtotal	<u>\$873,544,499</u>		<u>10.2%</u>	<u>\$433,596,729</u>		<u>10.3%</u>
Total Assessed Valuation:						
Fiscal Year 2008-2009	\$8,589,323,899					
Fiscal Year 1999-2000	\$4,203,780,927					

Source: San Mateo County Assessor Fiscal Year Combined Tax Rolls.

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



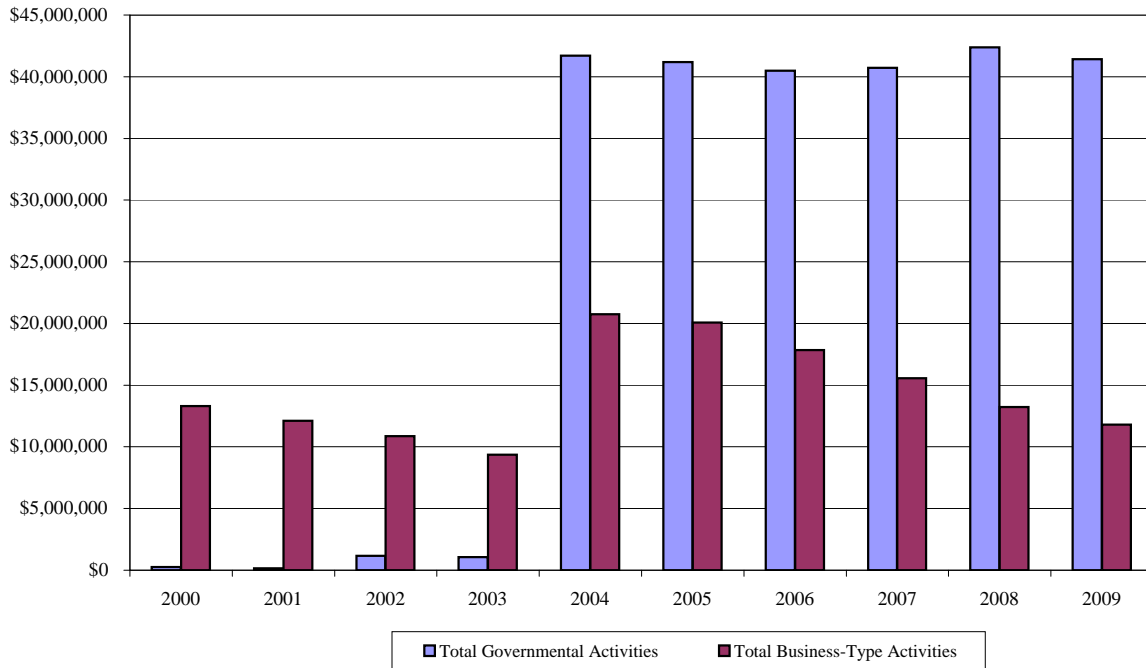
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2000	\$8,756	\$8,756	100.00%		\$8,756	100.00%
2001	9,387	9,387	100.00%		9,387	100.00%
2002	10,524	10,524	100.00%		10,524	100.00%
2003	10,401	10,401	100.00%		10,401	100.00%
2004	11,485	11,485	100.00%		11,485	100.00%
2005	12,866	12,866	100.00%		12,866	100.00%
2006	13,435	13,435	100.00%		13,435	100.00%
2007	14,693	14,693	100.00%		14,693	100.00%
2008	15,610	15,610	100.00%		15,610	100.00%
2009	16,029	16,029	100.00%		16,029	100.00%

Source: City of Daly City

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

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

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



Governmental Activities

Fiscal Year	Line of Credit	Capital Lease	HUD		CHFA HELP Loan	Promissory Note	Total
			Section 108 Loan	PERS Pension Obligation Bonds			
2000	\$163,897	\$97,031					\$260,928
2001	119,897	42,774					162,671
2002	119,897	1,040,151					1,160,048
2003	119,897	944,609					1,064,506
2004	119,897	844,586	\$4,500,000	\$36,235,000			41,699,483
2005	119,897	739,872	4,500,000	35,835,000			41,194,769
2006		630,247	4,368,000	35,500,000			40,498,247
2007		515,480	4,226,000	35,065,000	\$904,670		40,711,150
2008		395,330	4,074,000	34,520,000	904,670	\$2,480,000	42,374,000
2009		269,545	3,912,000	33,860,000	904,670	2,480,000	41,426,215

Business-Type Activities

Fiscal Year	Sewer Certificates of Participation	Water Certificates of Participation	State Water Resources Board Loan	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2001	12,125,000			12,125,000	12,287,671	n/a	116.55
2002	10,870,000			10,870,000	12,030,048	n/a	115.22
2003	9,375,000			9,375,000	10,439,506	n/a	100.09
2004	7,740,000	\$9,860,000	\$3,160,733	20,760,733	62,460,216	n/a	604.83
2005	6,070,000	9,495,000	4,506,387	20,071,387	61,266,156	2.55%	585.38
2006	4,365,000	9,145,000	4,327,078	17,837,078	58,335,325	2.20%	556.53
2007	2,625,000	8,785,000	4,146,376	15,556,376	56,267,526	1.92%	530.03
2008	855,000	8,415,000	3,961,157	13,231,157	55,605,157	1.97%	522.80
2009		8,030,000	3,771,308	11,801,308	53,227,523	n/a (b)	496.99

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

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

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

(b) Information not available.

CITY OF DALY CITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009

2008-09 Assessed Valuation	\$8,905,434,424
Redevelopment Incremental Valuation	685,948,784
Adjusted Assessed Valuation	<u>\$8,219,485,640</u>

<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	Total Debt 6/30/09	% Applicable (1)	City's Share of Debt 6/30/09
San Mateo Community College District	\$634,554,994	6.394%	\$40,573,446
South San Francisco Unified School District	35,777,393	11.050%	3,953,402
Jefferson Union High School District	72,820,000	49.505%	36,049,541
Brisbane School District	7,650,437	21.404%	1,637,500
Jefferson School District	50,355,000	84.696%	<u>42,648,671</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>124,862,560</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
San Mateo County General Fund Obligations	\$370,964,816	6.394%	\$23,719,490
San Mateo County Board of Education Certificates of Participation	13,350,000	6.394%	853,599
San Mateo County Flood Control District Certificates of Participation	23,695,000	31.705%	7,512,500
South San Francisco Unified School District Certificates of Participation	1,860,000	11.050%	205,530
City of Daly City Pension Obligation Bonds	33,860,000	100.000%	<u>33,860,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$66,151,119</u>
COMBINED TOTAL DEBT			<u>\$191,013,679</u> (2)

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

<u>Ratios to 2008-09 Assessed Valuation</u>	
Total Overlapping Tax and Assessment Debt	1.40%
Combined Total Debt	2.14%

Source: California Municipal Statistics, Inc.

**CITY OF DALY CITY
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2009**

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	\$8,905,434,424
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$333,953,791
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$8,030,000
Less: Tax Allocation Bonds and Certificate of Participation not subject to limit	8,030,000

Amount of debt subject to limit	0
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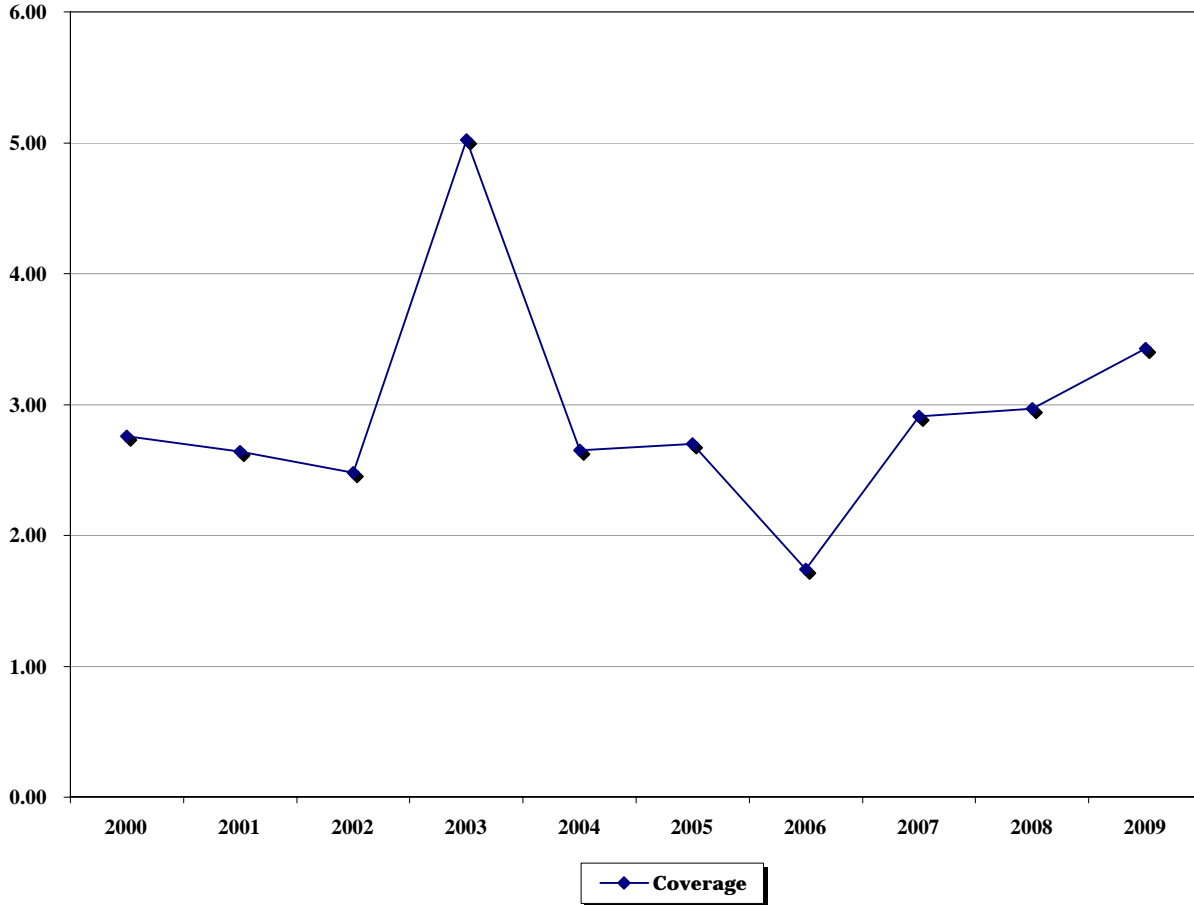
LEGAL BONDED DEBT MARGIN	\$333,953,791
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
(in thousand dollars)				
2000	\$166,482	0	\$166,482	0.00%
2001	178,927	0	178,927	0.00%
2002	193,715	0	193,715	0.00%
2003	211,166	0	211,166	0.00%
2004	231,002	0	231,002	0.00%
2005	254,359	0	254,359	0.00%
2006	270,478	0	270,478	0.00%
2007	295,895	0	295,895	0.00%
2008	319,395	0	319,395	0.00%
2009	333,954	0	333,954	0.00%

NOTE:

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

**CITY OF DALY CITY
REVENUE BOND COVERAGE
SANITATION DISTRICT CERTIFICATES OF PARTICIPATION
LAST TEN FISCAL YEARS**



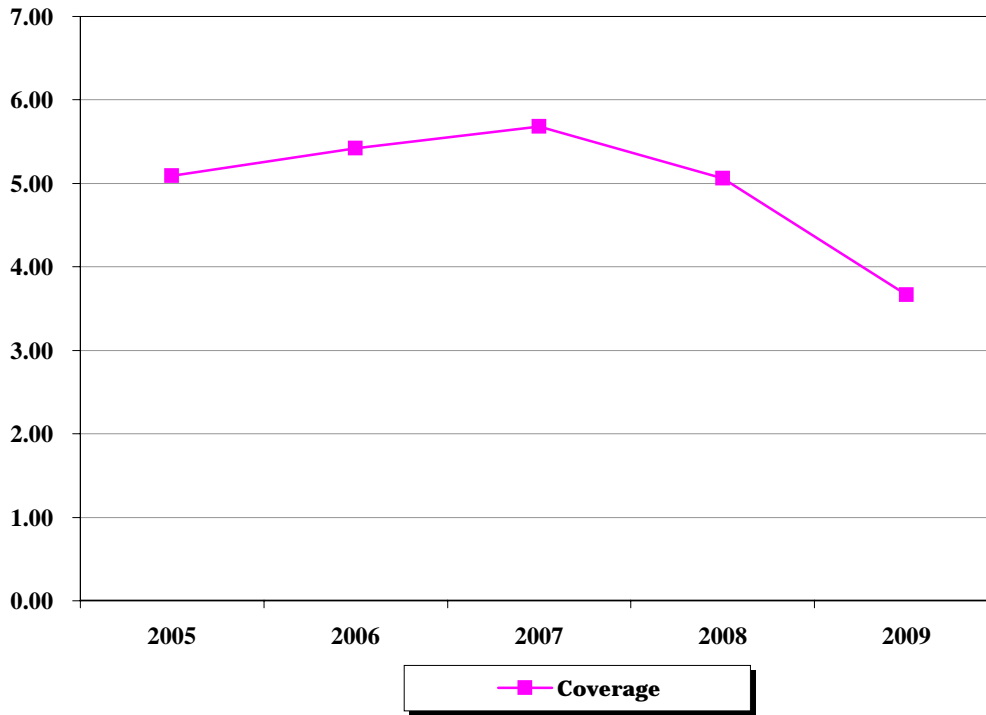
Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$13,591,752	\$8,328,436	\$5,263,316	\$1,135,000	\$772,016	\$1,907,016	2.76
2001	13,844,767	8,811,238	5,033,529	1,190,000	713,848	1,903,848	2.64
2002	14,216,890	9,491,285	4,725,605	1,255,000	650,778	1,905,778	2.48
2003	16,039,399	9,816,348	6,223,051	1,100,000	138,522	1,238,522	5.02
2004	14,605,218	9,745,881	4,859,337	1,635,000	200,625	1,835,625	2.65
2005	16,213,371	11,252,381	4,960,990	1,670,000	167,925	1,837,925	2.70
2006	16,086,357	12,878,569	3,207,788	1,705,000	134,525	1,839,525	1.74
2007	17,623,477	12,267,969	5,355,508	1,740,000	100,425	1,840,425	2.91
2008	19,124,012	13,679,745	5,444,267	1,770,000	65,625	1,835,625	2.97
2009	18,179,017	15,176,375	3,002,642	855,000	21,375	876,375	3.43

Notes: (1) Includes all Sanitation District Operating Revenue, Nonoperating Interest Revenue, Connection Fees and other Nonoperating Revenues

(2) Includes all Sanitation District Operating Expenses and Interest Expense less Depreciation Expen

Source: City of Daly City Annual Financial Statement

**CITY OF DALY CITY
REVENUE BOND COVERAGE
WATER UTILITY DISTRICT CERTIFICATES OF PARTICIPATION
LAST FIVE FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$11,783,383	\$7,948,731	\$3,834,652	\$365,000	\$388,939	\$753,939	5.09
2006	11,842,561	7,749,256	4,093,305	350,000	404,534	754,534	5.42
2007	12,529,986	8,245,443	4,284,543	360,000	394,034	754,034	5.68
2008	13,448,021	9,634,863	3,813,158	370,000	383,234	753,234	5.06
2009	13,115,342	10,347,582	2,767,760	385,000	370,284	755,284	3.66

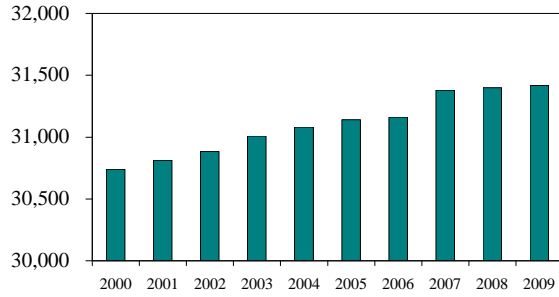
Notes: (1) Includes all Water Utility Operating Revenue, Nonoperating Interest Revenue, Connection Fees and other Nonoperating Revenues
(2) Includes all Water Utility Operating Expenses and Interest Expense less Depreciation Expense
(3) Not applicable prior to 2005

Source: City of Daly City Annual Financial Statements

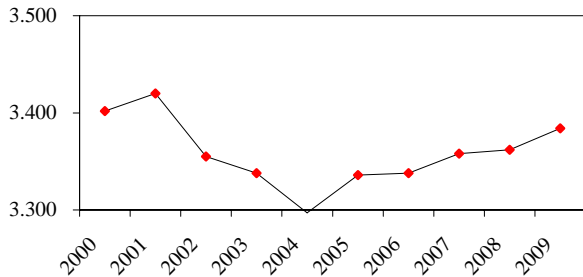
**CITY OF DALY CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



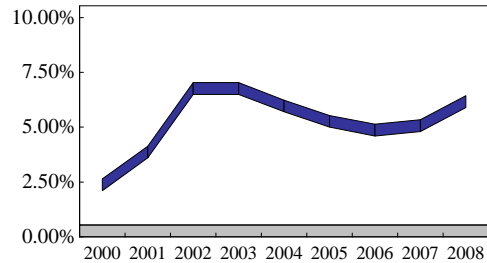
■ Daly City Population



■ Occupied Housing Units



—● Persons per Occupied Housing Unit



■ Unemployment Rate (%)

Year	Daly City Population as of January as of January (1)	Occupied Housing Units as of January (1)	Persons per Occupied Housing Unit (1)	Unemployment Rate Annual Average (%) (2)	Per Capita Personal Income (3)	Total Personal Income (in thousands)	San Mateo County Population (1)	City Population % of County
2000	104,571	30,741	3.402	2.1%	n/a	n/a	730,029	14.32%
2001	105,427	30,812	3.420	3.6%	n/a	n/a	720,147	14.64%
2002	104,407	30,886	3.355	6.5%	n/a	n/a	717,006	14.56%
2003	104,305	31,010	3.338	6.5%	n/a	n/a	717,041	14.55%
2004	103,269	31,082	3.297	5.7%	n/a	n/a	712,386	14.50%
2005	104,661	31,140	3.336	5.0%	\$22,946	\$2,401,551	723,453	14.47%
2006	104,820	31,162	3.338	4.6%	25,315	2,653,518	724,104	14.48%
2007	106,160	31,378	3.358	4.8%	27,656	2,935,961	733,386	14.48%
2008	106,361	31,401	3.362	5.9%	26,513	2,819,949	739,171	14.39%
2009	107,099	31,419	3.384	n/a	n/a	n/a	745,563	14.36%

Sources:

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

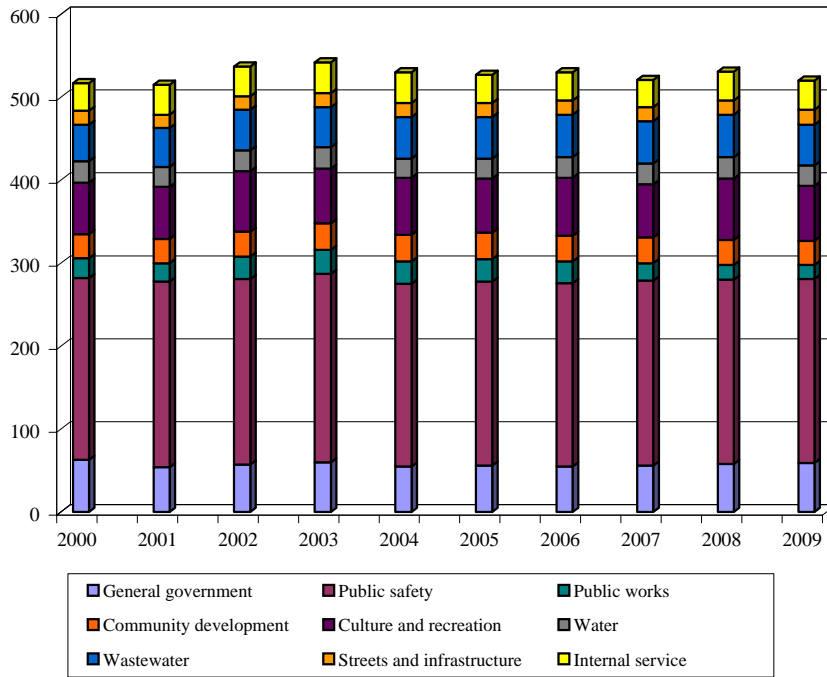
CITY OF DALY CITY
Principal Employers
Current Year and Nine Years Ago

Employer	2008-09			1999-2000		
	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (1)	Rank	Percentage of Total City Employment
Seton Medical Center	1,659	1	8.7%	1,510	1	13.7%
City of Daly City	761	2	4.0%	708	3	6.4%
Jefferson High School District	693	3	3.6%	650	4	5.9%
U.S. Postal Service	602	4	3.2%			
Jefferson Elementary School District	584	5	3.1%	788	2	7.1%
Cow Palace	405	6	2.1%	328	6	3.0%
Genesys Telecommunications Laboratories	373	7	2.0%			
Target Stores - Serramonte	336	8	1.8%			
McDonald's (4 stores)	250	9	1.3%	240	9	2.2%
Walgreens (3 stores)	227	10	1.2%			
St. Francis Convalescent Pavilion				355	5	3.2%
Macy's				300	7	2.7%
Montgomery Wards				285	8	2.6%
California State Automobile Association				220	10	2.0%
Subtotal	<u>5,890</u>		<u>31.0%</u>	<u>5,384</u>		<u>48.7%</u>
Total Daly City Employment	<u>19,020</u> (2)			<u>11,048</u> (3)		

Note: (1) Includes both full-time and part-time employees
(2) Based on ABAG projections & census data
(3) Based on 2002 Economic Census - data updated only every 5 years

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

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



	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function										
General government	63	54	57	60	55	56	55	56	58	59
Public safety	219	224	224	227	220	222	221	223	222	222
Public works	24	22	27	29	27	27	26	21	18	17
Community development	29	29	30	32	32	32	31	31	30	29
Culture and recreation	62	63	73	66	69	65	70	64	74	66
Water	26	24	25	26	23	24	25	25	26	25
Wastewater	44	47	49	48	50	50	51	51	51	49
Streets and infrastructure	17	16	16	17	17	17	17	17	17	18
Internal service	33	36	36	37	37	34	34	33	35	35
Total	<u>517</u>	<u>515</u>	<u>537</u>	<u>542</u>	<u>530</u>	<u>527</u>	<u>530</u>	<u>521</u>	<u>531</u>	<u>520</u>

Source: City of Daly City

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

Function/Program	Fiscal Year			
	2000	2001	2002	2003
Public safety (calendar year data)				
Fire				
Fire calls for service	5,814	5,878	5,850	5,712
Fire inspections conducted	2,664	3,922	2,955	2,987
Police				
Police calls for service	70,153	77,607	79,402	91,145
Law violations				
Part I crimes	2,140	2,308	2,210	2,526
Part II crimes	3,944	4,376	4,135	5,212
Physical arrests (adults)	1,936	1,790	1,707	2,071
Physical arrests (juvenile)	487	510	436	496
Traffic violations	13,506	11,234	10,279	16,176
Parking violations	n/a	n/a	80,035	72,753
Public works				
Street repairs - asphalt patching (sq. ft.)	n/a	36,473	35,947	27,477
Street slurry seal (ft.)	n/a	20,205	23,296	32,231
Street resurfacing (ft.)	n/a	31,282	26,595	9,472
Traffic signal responses	n/a	205	239	108
Street light responses	n/a	373	464	561
Street signs replaced	n/a	n/a	n/a	596
Streets swept (miles)	n/a	n/a	n/a	21,245
Line striping and curb painting (linear ft.)	n/a	n/a	n/a	7,240
Sidewalks inspected (miles)	n/a	n/a	n/a	35
Weeds and rubbish responses	n/a	n/a	n/a	355
Culture and recreation				
Recreation				
Recreation class participants	n/a	n/a	n/a	n/a
Performing Arts Center participants	n/a	n/a	n/a	n/a
Youth recreation playground program participants	n/a	n/a	n/a	n/a
Volunteer support hours	n/a	n/a	n/a	n/a
Senior meals served	n/a	n/a	n/a	n/a
Number of health fair events	n/a	n/a	n/a	n/a
Health fair events attendance (6 events)	n/a	n/a	n/a	n/a
Daly City Peninsula Partnership # of agencies	n/a	n/a	n/a	n/a
Facility rentals (non City events)	n/a	n/a	n/a	n/a
Library				
Volumes in collection - all formats	158,964	156,458	159,614	174,065
Total volumes borrowed	428,123	434,471	470,770	519,180
# of uses of electronic resources	n/a	n/a	n/a	94,500
Youth services program attendance	7,866	10,875	9,323	14,051
Water				
Water service connections	22,343	22,425	22,505	22,614
Water main breaks	92	64	74	79
Average daily consumption (thousands of gallons)	8,300	8,450	7,930	7,920
Wastewater				
Sewer service connections	22,880	22,873	22,990	23,025
Sewer main blockages	1	1	21	10
Average daily treatment (thousands of gallons)	6,715	7,010	6,948	6,653

Source: City of Daly City

Note: n/a denotes information not available.

Fiscal Year					
2004	2005	2006	2007	2008	2009
5,660	5,745	6,086	6,012	6,206	n/a
3,248	3,169	3,576	4,305	4,544	n/a
91,464	86,979	79,953	75,190	81,375	n/a
2,664	2,458	2,656	2,448	2,349	n/a
4,619	4,564	4,807	4,607	4,082	n/a
2,065	2,068	1,995	1,861	1,644	n/a
577	523	479	481	365	n/a
17,500	14,926	13,119	4,818	5,475	n/a
68,851	67,849	60,056	56,070	78,736	n/a
17,596	11,470	22,338	20,610	5,655	4,350
41,360	68,519	49,141	63,659	65,472	79,960
9,055	17,403	18,127	5,973	3,907	0
84	100	98	83	93	71
415	431	444	407	402	393
528	1,218	689	548	1,796	436
19,675	20,624	21,346	21,754	19,629	17,956
7,988	8,800	2,290	8,671	3,403	5,732
25	15	18	13	17	20
465	495	475	493	387	445
n/a	9,600	9,600	7,500	10,000	8,000
n/a	500	525	530	550	900
n/a	1,000	900	900	900	900
n/a	45,000	45,000	45,000	45,000	45,000
n/a	23,190	21,229	21,130	22,218	24,804
n/a	6	6	4	0	2
n/a	2,000	2,250	2,000	0	1,000
n/a	60	63	60	64	65
n/a	1,300	1,300	900	900	750
182,954	189,402	197,034	206,581	211,999	217,529
597,841	592,208	591,336	625,783	632,935	664,348
139,138	142,852	151,316	185,068	200,601	207,800
11,923	11,661	14,818	9,864	15,195	19,296
22,610	22,745	22,887	23,034	22,814	22,790
90	56	49	58	55	72
7,860	7,890	7,240	7,324	7,785	7,317
23,035	23,052	23,087	29,000	29,000	29,000
11	14	10	6	7	7
7,260	7,440	7,436	7,370	7,270	6,820

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

	Fiscal Year				
	2000	2001	2002	2003	2004
Function/Program					
Public safety					
Fire stations	5	5	5	5	5
Police stations	1	1	1	1	1
Police patrol vehicles	28	28	33	33	33
Public works					
Miles of streets	112	112	112	112	112
Street lights	3,200	3,200	3,200	3,200	3,200
Traffic signals (# of intersections)	38	39	39	40	40
Miles of storm drains	45	45	45	45	45
Culture and recreation					
Parks and recreation					
City parks	14	14	14	14	15
City parks acreage	200	200	200	200	200
Park trees	2,500	2,500	2,500	2,500	2,500
Playgrounds	26	26	26	26	26
Picnic areas	23	23	23	23	23
Tot lots	9	9	9	9	9
Dog off-leash areas	2	2	2	2	2
Street landscaped medians	21	21	21	21	21
Roadway landscaping acreage	500	500	500	500	500
Street trees	2,800	2,800	2,800	2,800	2,800
Community centers and clubhouses	12	12	12	12	12
Senior centers	1	1	1	1	1
Performing arts centers	1	1	1	1	1
Swimming pools (property of school district)	2	2	2	2	2
Gymnasiums	3	3	3	3	3
Tennis courts	7	7	7	7	7
Artificial turf sports fields					1
Outdoor basketball courts	15	15	15	15	15
Baseball/softball diamonds	8	8	8	8	8
Soccer/football fields					1
Night sport lighted facilities	9	9	9	9	9
Library					
City Libraries (# of branches)	4	4	4	4	4
Water					
Miles of water mains	187	187	205	205	205
Fire hydrants	1,417	1,431	1,445	1,425	1,425
Storage capacity (thousands of gallons)	22,981	22,981	22,981	22,981	22,981
Wastewater					
Number of treatment plants	1	1	1	1	1
Miles of sanitary sewers	175	176	176	176	177
Miles of combined sewers	14	14	14	14	14
Treatment capacity (thousands of gallons)					
Dry weather	8,000	8,000	8,000	8,000	8,000
Wet weather	25,000	25,000	25,000	25,000	25,000

Source: City of Daly City

Note: n/a denotes information is not available.

Fiscal Year				
2005	2006	2007	2008	2009
5	5	5	5	5
1	1	1	1	1
33	33	31	31	30
112	112	112	112	112
3,200	3,200	3,200	3,200	3,200
40	40	40	40	40
45	45	45	70	70
15	15	15	15	15
200	200	200	200	200
2,500	2,500	2,500	2,400	2,400
26	26	26	26	26
23	23	23	23	23
9	9	9	9	9
2	2	2	2	2
21	21	21	21	21
500	500	500	500	500
2,800	2,800	2,700	2,700	2,700
13	13	13	14	14
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
3	3	3	4	4
7	7	7	9	9
1	1	2	2	2
15	15	15	15	15
8	8	8	8	8
1	1	1	1	1
9	9	9	9	9
4	4	4	4	4
205	205	187	187	187
1,472	1,472	1,437	1,489	1,497
22,981	22,981	22,981	22,981	22,981
1	1	1	1	1
177	177	177	177	177
14	14	14	14	14
8,000	8,000	8,000	8,000	8,000
25,000	25,000	25,000	25,000	25,000

