

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**City/County Association of Governments of
San Mateo County
Basic Financial Statements
For the year ended June 30, 2024**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	24
Notes to the Basic Financial Statements	27
Required Supplementary Information:	
Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	47
Congestion Management	48
National Pollutant Discharge & Elimination System	49
Bay Area Air Quality Management District	50
AB 1456	51
Energy Watch	52
Measure M	53
San Mateo County Express Lane JPA	54
CalPERS Cost-Sharing Plan:	
Schedule of the Proportionate Share of the Net Pension Liability	56
Schedule of Pension Plan Contributions	58
Other Post-Employment Benefits (OPEB) Plan:	
Schedule of Changes in the Net OPEB Liability and Related Ratios	60
Schedule of OPEB Contributions	62
Notes to Required Supplementary Information	64

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chair and Members of the Board of Directors
of the City/County Association of Governments of San Mateo County
Redwood City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund, as of and for the year ended June 30, 2024 for the City/County Association of Governments of San Mateo County (C/CAG), and the related notes to the financial statements, which collectively comprise C/CAG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

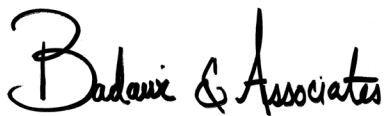
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budget to actual comparison schedules, and the required pension and OPEB schedules on pages 5-9 and 47-63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

To the Honorable Chair and Members of the Board of Directors
of the City/County Association of Governments of San Mateo County
Redwood City, California
Page 3

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of C/CAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering C/CAG's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 19, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The information presented in the "Management's Discussion and Analysis" is intended to be a narrative overview of the City/County Association of Governments of San Mateo County (C/CAG) financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the basic financial statements.

FINANCIAL STATEMENT OVERVIEW

This discussion and analysis are intended to serve as an introduction to the C/CAG Annual Financial Report. The C/CAG basic financial statements are comprised of four components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, 3) Notes to the Financial Statements, and 4) Required Supplementary Information.

FINANCIAL HIGHLIGHTS

- C/CAG total net position was \$31.20 million, an increase of \$2.71 million or 9.53%.
- The combined C/CAG revenues were \$19.08 million, an increase of \$2.58 million or 15.66%.
- The combined C/CAG expenses were \$16.37 million, an increase of \$0.87 million or 5.60%.

Government-wide Financial Statements: The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the C/CAG finances. These statements include *all* assets and liabilities, using the full *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All revenues and expenses related to the current fiscal year are included regardless of when the funds are received or paid.

- The *Statement of Net Position* presents all the C/CAG assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator to determine whether the financial position of the Agency is improving or deteriorating.
- The *Statement of Activities* presents information showing how the C/CAG net position changed during the fiscal year. All changes in net position (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g., uncollected revenues, and accrued but unpaid interest expenses).

The services of the Agency are considered to be governmental activities including General and special purpose Government. All Agency activities are financed with investment income, City/County fees, State/Federal/Regional grants, Motor Vehicle Fees, and County Discretionary State/Federal Transportation funds.

Fund Financial Statements: A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the C/CAG activities are reported in governmental funds. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental Fund Financial Statements provide a detailed view of the C/CAG operations. Governmental fund information helps to determine the amount of financial resources used to finance the C/CAG programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this section contains C/CAG's budgetary comparison schedules for all major governmental funds and C/CAG's obligation for the provision of pension to its employees.

FINANCIAL ANALYSIS

Net position is the excess of all the C/CAG's assets and deferred outflows of resources over liabilities and deferred inflows of resources. Net position may over time serve as a useful indicator of C/CAG financial position. The following table summarizes C/CAG's net position change from this year to last year.

Table 1
Statement of Net Position
June 30, 2024 and June 30, 2023

	2024	2023	\$ Change	% Change
Cash and investments (note 2)	\$ 29,478,794	\$ 28,183,276	\$ 1,295,518	4.60%
Accounts receivable and other assets	7,245,006	6,600,696	644,310	9.76%
Total Assets	36,723,800	34,783,972	1,939,828	5.58%
Deferred outflows related to pension & OPEB	474,127	473,602	525	0.11%
Total Deferred Outflow	474,127	473,602	525	0.11%
Current and other liabilities	5,099,338	5,850,999	(751,661)	-12.85%
Long-term obligations	867,447	881,879	(14,432)	-1.64%
Total Liabilities	5,966,785	6,732,878	(766,093)	-11.38%
Deferred inflows related to pension & OPEB	27,745	35,758	(8,013)	-22.41%
Total Deferred Inflow	27,745	35,758	(8,013)	-22.41%
Net Position:				
Restricted	\$ 29,768,605	\$ 27,506,996	\$ 2,261,609	8.22%
Unrestricted	1,434,792	981,942	452,850	46.12%
Total Net Position	\$ 31,203,397	\$ 28,488,938	\$ 2,714,459	9.53%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total net position is \$31.20 million, an increase of \$2.71 million or 9.53% from the prior fiscal year. Significant changes during the fiscal year are as follows:

Total assets increased by \$1.94 million or 5.58%, of which \$1.30 million is the increase in cash in investment. The increase is due to the receipt of \$0.76 million in state grant revenue for Congestion Management Fund's Buffered Bike Lane project, two new grants for NPDES stormwater, and loan interest payments from San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA).

Accounts receivable and other assets increased by \$0.64 million or 9.76% from \$6.60 million to \$7.23 million. The increase is mainly from Congestion Management, NPDES and Measure M, partially offset by decrease in BAAQMD and SMCEL-JPA. The rise was driven by timing of receipt of grant reimbursements. SMCEL-JPA's current administrative, operational and maintenance expenses have been covered by toll revenue from the express lanes and no further operating loan is budgeted or anticipated for FY2024-25.

Current and other liabilities decreased by \$0.75 million or 12.85% from the prior year. This is primarily due to the timing for San Mateo County Transit District (Sam Trans) requesting the fund distribution for the Senior Mobility Program and consultant services from Eisenberg, Olivieri and Associates, Inc for Countywide Stormwater program in Measure M Fund. The change of C/CAG's long-term obligations include OPEB and proportionate shares of pension liability related deferred inflows and outflows have decreased by 24% in comparison with the prior year. The change is affected by the proportionate shares of contributions and investment gains of the CalPERS retirement pool.

The majority of C/CAG's net position is subject to external restrictions, such as grantor's stipulations or enabling legislation, on how they may be used. The restricted assets were \$29.77 million of the total net position. Of this amount, \$14.28 million is restricted for Congestion Management Program, \$10.68 million is restricted for Measure M, \$1.74 million is restricted for NPDES, and \$1.95 million is restricted for Bay Area Air Quality Management Program and \$0.41 million is restricted for AB1546. The remaining \$0.70 million is related to the Energy Watch Program.

Unrestricted net position can be used to finance day-to-day operations without constraints established by other legal requirements or restrictions. The unrestricted net position on June 30, 2024 was \$1.43 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities and Changes in Net Position

The Statement of Activities presents program revenues and expenses, and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized in Table 2.

Table 2
Statement of Activities and Changes in Net Position
June 30, 2024 and June 30, 2023

	2024	2023	\$ Change	% Change
Revenues				
Program Revenues:				
Charges for services	\$ 11,691,182	\$ 11,377,999	\$ 313,183	2.75%
Operating grants and contributions	5,631,689	4,398,887	1,232,802	28.03%
General Revenues:				
Investment Income	1,759,749	721,575	1,038,174	143.88%
Total Revenues	19,082,620	16,498,461	2,584,159	15.66%
Expenses				
AB 1546	135,000	25,206	109,794	435.59%
SMC Express Lane JPA	467,460	333,745	133,715	40.07%
Energy Watch	548,004	337,015	210,989	62.61%
General government	544,961	369,624	175,337	47.44%
Air quality (BAAQMD)	580,753	1,087,294	(506,541)	-46.59%
NPDES stormwater	2,196,029	1,831,079	364,950	19.93%
Congestion management	4,905,343	4,119,328	786,015	19.08%
Measure M	6,990,611	7,396,456	(405,845)	-5.49%
Total Expenses	16,368,161	15,499,747	868,414	5.60%
Inc (Dec) in Net Position	2,714,459	998,714	1,715,745	171.80%
Beginning Net Position	28,488,938	27,490,224	998,714	3.63%
Ending Net Position	\$ 31,203,397	\$ 28,488,938	\$ 2,714,459	9.53%

The overall change in net position in the current fiscal year is an increase of \$2.71 million. The reasons for significant changes in the revenues and expenses are as follows:

The combined amount of charges for services received increased by \$0.31 million or 2.75%, from \$11.38 million to \$11.69 million. This increase is primarily attributed to enhanced support for achieving agency goals, including additional consulting expenses for the Safe Routes to School Program in partnership with the San Mateo County Office of Education.

The combined amount of operating grants & contributions increased by \$1.2 million or 27.62%, compared to the prior year. The increase is primarily due to two new grants of NPDES: Watching Our Watersheds Regional Trash Monitoring project and Integrated Climate Adaptation and Resilience program. Revenue is on a reimbursable basis.

Investment income increased by \$1.04 million, or 144%, compared to the previous year. This was due to the higher interest earnings in the current fiscal year offset by unfavorable unrealized gains

MANAGEMENT'S DISCUSSION AND ANALYSIS

from the GASB31 Fair Market Value adjustment which led to a \$0.56 million loss recognized at the prior year-end.

Program expenses totaled \$16.37 million in the fiscal year 2023-2024, an increase of \$0.87 million or 5.6% from the prior year's expenses of \$15.5 million. Significant changes in the expenses of C/CAG's programs from the prior year are as follows:

- AB1546 program expenses increased by \$0.11 million or 435.59%. The increase is because of funding distributed to East Palo Alto for Safe routes to school project reimbursement.
- The Express Lanes JPA expenses increased by \$0.13 million or 40.07%. The expenses were mainly incurred for the staff support services provided by San Mateo County Public Works and C/CAG administrative support services in accordance with the Joint Powers Authority Agreement.
- Energy Watch Program expenses increased by \$0.21 million or 62.61% from the prior year. The increase is due to use of additional funding provided by Pacific Gas & Electric Company (PG&E) for the Energy Watch Program, and additional professional and consulting expenditures to enhance project and program delivery.
- General Government expenses increased by \$0.18 million or 47.44%. The increase is mainly associated with the increase in the proportionate share of pension liability.
- The Bay Area Air Quality program expenses decreased by \$0.51 million or 46.59%. The decrease is primarily due to the decrease in fund distribution to Commute.org for Bart Shuttle Services. This program is to improve traffic congestion within the San Mateo County.
- NPDES program expenses increased by \$0.36 million or 19.93%. Most expenses were associated with increased technical support to the Countywide Stormwater Program for the two new NPDES grants.
- Congestion Management Program expenses increased by \$0.79 million or 19.08%, mainly due to the increase in County staff support services provided by San Mateo County Public Works and expenses relating to South San Francisco Smart Corridor Project and the new Vehicle Miles Travel/Greenhouse Gas Model Mitigation program.
- Measure M expenses decreased by \$0.41 million or 5.49% from the prior year. This is mainly caused by the timing for member jurisdictions submitting reimbursement requests. All member jurisdictions are allowed to rollover unclaimed allocated funding to next year. Funding distribution to members for congestion management decreased from \$4.98 to \$4.3 million.

For a description of each of the Agency's programs, see Note 1 to financial statements.

CONTACTING THE C/CAG FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the C/CAG finances. Questions about this report or additional information can be obtained by contacting Sean Charpentier, the Executive Director of the City/County Association of Governments of San Mateo County at 555 County Center Fifth Floor, Redwood City, CA 94063, or the C/CAG Financial Agent which is the Finance Division at the City of San Carlos, 600 Elm Street, San Carlos, CA 94070.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**City/County Association
of Governments of San Mateo County
Statement of Net Position
June 30, 2024**

ASSETS	
Cash and investments	\$ 29,478,794
Accounts receivable	4,522,459
Loans receivable	2,722,547
Total assets	<u>36,723,800</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension related items	330,292
Deferred OPEB related items	143,835
Total deferred outflows of resources	<u>474,127</u>
LIABILITIES	
Accounts payable	4,233,496
Accrued liabilities	105,842
Unearned Revenue	760,000
Net pension liability	766,325
Net OPEB liability	101,122
Total liabilities	<u>5,966,785</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension related items	21,171
Deferred OPEB related items	6,574
Total deferred inflows of resources	<u>27,745</u>
NET POSITION	
Restricted for:	
Energy watch	702,739
AB 1546	412,120
BAAQMD	1,953,850
NPDES	1,738,412
San Mateo County Express Lane JPA	1,738
Measure M	10,680,878
Congestion Management	14,278,868
Total restricted	<u>29,768,605</u>
Unrestricted	1,434,792
Total net position	<u>\$ 31,203,397</u>

**City/County Association
of Governments of San Mateo County
Statement of Activities
For the year ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
				Governmental Activities
Governmental activities:				
General government	\$ 544,961	\$ -	\$ 298,116	\$ (246,845)
Special programs:				
Congestion management	4,905,343	2,293,905	2,699,187	87,749
National Pollutant Discharge & Elimination System	2,196,029	160,738	2,117,384	82,093
Bay Area Air Quality Management District	580,753	1,057,330	-	476,577
AB 1546	135,000	8	-	(134,992)
Energy watch	548,004	-	517,002	(31,002)
Measure M	6,990,611	7,815,595	-	824,984
San Mateo Express Lane JPA	467,460	363,606	-	(103,854)
Total governmental activities	\$ 16,368,161	\$ 11,691,182	\$ 5,631,689	954,710
General Revenues:				
				1,759,749
				<u>1,759,749</u>
				2,714,459
				<u>28,488,938</u>
				<u>\$ 31,203,397</u>

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

**City/County Association
of Governments of San Mateo County
Balance Sheet
Governmental Funds
June 30, 2024**

	General Fund	Congestion Management	National Pollutant Discharge & Elimination System	Bay Area Air Quality Management District
ASSETS				
Cash and investments	\$ 1,458,583	\$ 11,502,315	\$ 1,916,392	\$ 2,158,524
Accounts receivable	327,702	1,710,488	374,099	-
Due from other funds	150,176	2,639,324	-	-
Loans receivable	-	-	-	-
Total assets	\$ 1,936,461	\$ 15,852,127	\$ 2,290,491	\$ 2,158,524
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	80,604	714,318	545,178	204,674
Accrued liabilities	-	98,941	6,901	-
Due to other funds	-	-	-	-
Unearned Revenue	-	760,000	-	-
Total liabilities	80,604	1,573,259	552,079	204,674
Fund Balances:				
Restricted for:				
Congestion management	-	14,278,868	-	-
NPDES	-	-	1,738,412	-
Bay Area AQMD	-	-	-	1,953,850
AB 1546	-	-	-	-
Energy watch	-	-	-	-
Measure M	-	-	-	-
San Mateo County Express Lane JPA	-	-	-	-
Unassigned	1,855,857	-	-	-
Total fund balances	1,855,857	14,278,868	1,738,412	1,953,850
Total liabilities and fund balances	\$ 1,936,461	\$ 15,852,127	\$ 2,290,491	\$ 2,158,524

AB 1546	Energy Watch	Measure M	San Mateo County Express Lane JPA	Total Governmental Funds
\$ 412,120	\$ 701,241	\$ 11,329,619	\$ -	\$ 29,478,794
-	106,649	1,879,699	123,822	4,522,459
-	-	-	-	2,789,500
-	-	-	2,722,547	2,722,547
<u>\$ 412,120</u>	<u>\$ 807,890</u>	<u>\$ 13,209,318</u>	<u>\$ 2,846,369</u>	<u>\$ 39,513,300</u>
-	105,151	2,528,440	55,131	4,233,496
-	-	-	-	105,842
-	-	-	2,789,500	2,789,500
-	-	-	-	760,000
<u>-</u>	<u>105,151</u>	<u>2,528,440</u>	<u>2,844,631</u>	<u>7,888,838</u>
-	-	-	-	14,278,868
-	-	-	-	1,738,412
-	-	-	-	1,953,850
412,120	-	-	-	412,120
-	702,739	-	-	702,739
-	-	10,680,878	-	10,680,878
-	-	-	1,738	1,738
-	-	-	-	1,855,857
<u>412,120</u>	<u>702,739</u>	<u>10,680,878</u>	<u>1,738</u>	<u>31,624,462</u>
<u>\$ 412,120</u>	<u>\$ 807,890</u>	<u>\$ 13,209,318</u>	<u>\$ 2,846,369</u>	<u>\$ 39,513,300</u>

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

Total Fund Balances - Total Governmental Funds \$ 31,624,462

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

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

Deferred outflows of resources related to pension	330,292
Deferred outflows of resources related to OPEB	143,835
Deferred inflows of resources related to pension	(21,171)
Deferred inflows of resources related to OPEB	(6,574)

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

Net pension liability	(766,325)
Net OPEB liability	(101,122)

Net Position of Governmental Activities \$ 31,203,397

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**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024**

	General Fund	Congestion Management	National Pollutant Discharge & Elimination System	Bay Area Air Quality Management District
REVENUES:				
Member contributions	\$ 298,116	\$ 2,293,905	\$ -	\$ -
Intergovernmental	-	2,699,187	714,120	-
NPDES fees	-	-	1,564,002	-
AB 434 DMV fees	-	-	-	1,057,330
Investment income	96,254	711,969	102,741	109,856
Cost reimbursement	-	-	-	-
Total revenues	394,370	5,705,061	2,380,863	1,167,186
EXPENDITURES:				
Current:				
Professional services	354,123	3,314,492	2,123,756	24,556
Field and program supplies	4,861	-	-	-
Administrative expenses	182,589	188,906	28,638	-
Dues and memberships	4,300	12,904	29,894	-
Conferences and meetings	18,735	6,205	3,805	-
Publications	1,407	3,521	-	-
Distributions	-	1,379,315	9,920	556,197
Other	1,916	-	16	-
Total expenditures	567,931	4,905,343	2,196,029	580,753
REVENUES OVER (UNDER) EXPENDITURES	(173,561)	799,718	184,834	586,433
OTHER FINANCING SOURCES (USES):				
Transfers in	603,441	-	40,000	-
Transfers out	-	(588,103)	(89,873)	(11,872)
Total other financing sources (uses)	603,441	(588,103)	(49,873)	(11,872)
Net change in fund balances	429,880	211,615	134,961	574,561
FUND BALANCES:				
Beginning of year	1,425,977	11,026,310	1,603,451	1,379,289
Restatement	-	3,040,943	-	-
Beginning of year, as restated	1,425,977	14,067,253	1,603,451	1,379,289
End of year	\$ 1,855,857	\$ 14,278,868	\$ 1,738,412	\$ 1,953,850

AB 1546	Energy Watch	Measure M	San Mateo County Express Lane JPA	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,592,021
8	517,002	7,038,177	-	10,968,494
-	-	-	-	1,564,002
-	-	-	-	1,057,330
21,244	36,565	579,251	101,869	1,759,749
-	-	777,418	363,606	1,141,024
21,252	553,567	8,394,846	465,475	19,082,620
10,000	444,483	2,424,531	237,957	8,933,898
-	-	-	-	4,861
-	22,175	45,826	125,649	593,783
-	-	-	1,985	49,083
-	60,748	2,633	-	92,126
-	20,598	-	-	25,526
125,000	-	4,517,621	-	6,588,053
-	-	-	101,869	103,801
135,000	548,004	6,990,611	467,460	16,391,131
(113,748)	5,563	1,404,235	(1,985)	2,691,489
-	150,000	-	-	793,441
-	(17,819)	(85,774)	-	(793,441)
-	132,181	(85,774)	-	-
(113,748)	137,744	1,318,461	(1,985)	2,691,489
525,868	564,995	9,362,417	3,044,666	28,932,973
-	-	-	(3,040,943)	-
525,868	564,995	9,362,417	3,723	28,932,973
\$ 412,120	\$ 702,739	\$ 10,680,878	\$ 1,738	\$ 31,624,462

**City/County Association
of Governments of San Mateo County
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 2,691,489

Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Pension adjustments are recorded on the economic resources basis of accounting and therefore not reported as expenditures in the governmental funds. (34,659)

OPEB adjustments are recorded on the economic resources basis of accounting and therefore not reported as expenditures in the governmental funds. 57,629

Change in Net Position of Governmental Activities \$ 2,714,459

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City/County Association of Governments of San Mateo County (C/CAG), California was formed in 1990 as a joint exercise of powers between San Mateo County and all the cities and towns in San Mateo County. The purpose of C/CAG is to prepare, adopt, monitor and enforce County-wide State mandated plans for congestion management, integrated solid waste management, airport land use, hazardous waste management and water/air pollution reduction.

C/CAG is controlled by a twenty-one member board consisting of one member from each of the participating entities. None of the member entities exercise specific control over the budgeting and financing of C/CAG activities beyond their representation on the board. The County fulfills contractual obligations with C/CAG by providing engineering and professional services. Accounting services are provided by the City of San Carlos. C/CAG is administered by an Executive Director who works directly for the Board.

C/CAG's operations are financed by contributions made by each member agency and grants received from other governmental entities, vehicle registration fees and fee for services.

B. Basis of Presentation

C/CAG'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 United States of America.

Generally accepted accounting principles require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display overall information about C/CAG. C/CAG's activities generally are financed through grants and contributions received from other governmental entities.

The Statement of Activities presents a summary of expenses specifically associated with each function of C/CAG's governmental activities. Program revenues include grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

C. Major Funds

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

C/CAG reported all its governmental funds as major funds in the accompanying financial statements:

General Fund – Finances all administrative and management functions relating to the C/CAG Board, the Administrator's Advisory Committee, Finance Committee, Airport Land Use Committee (ALUC) and Countywide Integrated Waste Management Plan Review Ad-Hoc Committee. Legal services finance and accounting services, office expenses and the coordination of all C/CAG programs and activities are also accounted for in this fund.

Congestion Management Fund – Finances the Congestion Management and Congestion Relief Programs, Smart Corridor Project, Countywide Transportation Plan, Bicycle/Pedestrian and Active Transportation Program, TDA Article #3 Fund Management, Local Shuttle Program, and policy development to better integrate transportation and land use. This fund provides the support to program the San Mateo County discretionary State/Federal Transportation Funds and Commute.Org for Countywide Voluntary Trip Reduction Program.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Major Funds, Continued

National Pollutant Discharge and Elimination System Fund – The NPDES program is a response to the State/Federal Clean Water Act mandate directing San Mateo County jurisdictions to obtain a storm water discharge permit. C/CAG has been designated by its members as the coordinator of the program for the Water Pollution Prevention Program(WPPP). Its main objective is to implement a comprehensive storm water quality management program to protect the water quality of San Francisco Bay.

Bay Area Air Quality Management District Fund – Used to fund local programs implementing specified transportation control measures to improve air quality in the San Francisco Bay Area.

AB 1546 – State law authorized C/CAG Board to impose up to a \$4.00 fee increase to motor vehicle registration to fund this program. Half of the funds are for programs that provide congestion management, and the other half are for programs to address the impact of motor vehicles on the environment (water quality). This program expired in December 2012. C/CAG Board adopted Resolution 12-71 authorizing the fund expenditures plan for the unspent fund balance.

Energy Watch – The San Mateo County Energy Watch is a Local Government Partnership between C/CAG and Pacific Gas & Electric (PG&E). The objective of Energy Watch is to provide integrated approach to energy savings and incentives to encourage cost effective projects for municipal governments, non-profits, schools, farms, and small/medium businesses. C/CAG contracts with the County of San Mateo to implement the program. This fund also includes the activity of the County-wide Climate Action Planning function.

Measure M – This fund accounts for Motor Vehicle Fees of \$10 per vehicle per year for 25 years. This will raise approximately \$170 million, with \$85 million allocated to the cities and the County for Water Pollution Prevention Programs and Congestion Management Programs. The remaining \$85 million will go to transit and senior mobility improvement, safe routes to schools, Intelligent Transportation System projects, and County-wide Water Pollution Prevention Programs.

San Mateo County Express Lanes JPA – C/CAG and the San Mateo County Transportation Authority (TA) are Co-Sponsors of the Express Lanes project which created 44 miles (22 miles in each direction) of new express lanes on US 101 in San Mateo County. In April 2019, C/CAG Board approved Resolution 19-22 authorizing the C/CAG Chair to execute the Joint Exercise of Powers Agreement (JEPA) between C/CAG and TA to establish the San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA). The SMCEL JPA owns and operates the express lanes. As the owner, the SMCEL JPA also administers express lane toll revenue funds. In accordance with the JEPA, C/CAG will provide certain staffing support to the SMCEL JPA. In addition, from its inception in June 2019 to the beginning of toll collection, the SMCEL JPA had no revenue. Hence, C/CAG and the TA committed to provide startup operating loans to the SMCEL JPA for its initial operation. C/CAG provided such operating loans from the Congestion Relief Fund. SMCEL JPA will begin to repay C/CAG when there is positive net toll revenue from the Express Lanes.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. C/CAG uses the modified accrual basis of accounting, under which revenues are recognized when they become available and measurable as net current assets. Expenditures are recognized when the related fund liability is incurred. Revenues susceptible to accrual consist of grants and interest. Grants collected within 365 days after year end are accrued as revenue.

Non-exchange Transactions, in which C/CAG gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position or Equity

Cash and Investments

The fund's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the fund are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Fair Value Measurements

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

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

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

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

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position or Equity, Continued

Receivables and Payables

All receivables are shown net of an allowance for uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) OR “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category: deferred outflows relating to the net pension liability, and deferred outflows relating to the net OPEB liability reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category which are deferred inflows relating to the net pension liability and deferred inflows relating to the net OPEB liability reported in the government-wide statement of net position.

Pensions

In Government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 5) and the required supplementary information (“RSI”) section immediately following the Notes to Financial Statements, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the C/CAG recognizes a net pension liability, which represents the C/CAG’s proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees’ Retirement System (“CalPERS”). The net pension liability is measured as of the C/CAG’s prior fiscal year end. Changes in the net pension liability are recorded in the period incurred as pension expenses or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position or Equity, Continued

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Fund Balance

In the fund financial statements, the fund reports the following fund balance classifications:

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Includes amounts that have constraints on the use of resources by being externally imposed, imposed by law through constitution, or through enabling legislation.

Committed – include amounts that only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, C/CAG's Board. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is Board resolution.

Assigned – include amounts that are constrained by C/CAG's intent to be used for specific purposes but are neither restricted nor committed. C/CAG's Executive Director authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through a resolution.

Unassigned – The residual classification which includes all spendable amounts not contained in other classifications.

Fund Balance Flow Policy

Sometimes C/CAG will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is C/CAG's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

Net position is the excess of C/CAG's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into two captions. These captions apply only to net position, which is determined only at the government-side level, and are described below:

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which C/CAG cannot unilaterally alter.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position or Equity, Continued

Net Position, continued

Unrestricted describes the portion of net position which is not restricted to use.

Net Position Flow Assumption

Sometimes C/CAG will fund outlays for a particular purpose from both restricted (e.g., restricted bond of gran proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is C/CAG's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, revenues and expenses. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

C/CAG pools cash from all sources and all funds traditionally invests in San Mateo County Pool and Local Agency Investment Fund, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time. Investments are carried at fair value.

As of June 30, 2024, C/CAG's cash and investment balance was \$29,478,794 consisting of \$17,030,135 in the California Local Agency Investment Fund, \$11,269,174 in the San Mateo County Investment Pool, \$1,179,485 of cash in banks.

A. Local Agency Investment Fund

C/CAG is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. 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, and corporations, The carrying value of LAIF approximates fair value. C/CAG reports its investments in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share.

At June 30, 2024, LAIF had invested 3.00% in structured notes and asset-backed securities as compared to 2.78% the previous year. The LAIF fair value factor of 0.996316042 was used to calculate the fair value of the investments in LAIF.

NOTE 2 - CASH AND INVESTMENTS, CONTINUED

B. San Mateo County Investment Fund

C/CAG is a voluntary participant in the San Mateo County Investment Pool (SMCIP) that is regulated by California Government Code Section 53684 under the oversight of the treasurer of the County of San Mateo. The balance available for withdrawal is based on the accounting records maintained by SMCIP, which are recorded on an amortized cost basis. Included in SMCIP's investment portfolio are U.S. Treasury Notes, obligations issued by agencies of the U.S. Government, LAIF, corporate notes, commercial paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations, C/CAG reports its investments in SMCIP at the fair value amounts provided by SMCIP, which is the same as the value of the pool share. The fair value factor of 0.99130 was used to calculate the fair value of the investments in the SMCIP at June 30, 2024.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of C/CAG's investment. Generally, 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 C/CAG's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the C/CAG's investments by maturity:

Investment Type	12 Months or less
California Local Agency Investment Fund	\$ 17,030,135
San Mateo County Investment Pool	11,269,174
Money Market	-
Total investments	28,299,309
Total Cash in Banks and Cash on Hand	1,179,485
Total Cash and Investments	\$ 29,478,794

D. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF and San Mateo County Investment Pool are not rated by a nationally recognized statistical rating organization.

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

NOTE 2 - CASH AND INVESTMENTS, CONTINUED

E. Authorized Investments by C/CAG

C/CAG's Investment Policy and the California Government Code allow C/CAG to invest in the following, provided the credit ratings of the issuers are acceptable to C/CAG. The following also identifies certain provisions of C/CAG and California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
State of California Local Agency Investment Fund (LAIF)	Upon demand	N/A	\$75 million per account as approved by C/CAG Board	(C)
San Mateo County Investment Pool	Upon demand	N/A	As approved by C/CAG Board	(C)
U.S. Treasury Bonds, Notes, and Bills	5 years	N/A	100%	N/A
U.S. Government Agency and Federal Agency	5 years	N/A	100%	N/A
Bankers' Acceptances	180 days	N/A	25%	(B)
Commercial Paper	270 days	Highest letter and number rating by an NRSRO	25%	(A)
Negotiable Certificates of Deposits	5 years	N/A	30%	5%
Placement Service Deposits - Deposits or Certificates	5 years	N/A	50%	N/A
Medium Term Corporate Notes	5 years	A	30%	5%
Daily Money Market Funds	Upon demand	N/A	10%	10%

(A) 5% of outstanding paper of issuing corporation

(B) No more than 5% of the agency's money may be in bankers' acceptances of any one commercial bank.

(C) Investment portfolio mix approved by the Board: LAIF - 50-70%, County Pool - 30-50%

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, C/CAG will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of C/CAG's cash on deposit. All of C/CAG's bank deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in C/CAG's name.

G. Fair Value Hierarchy

The C/CAG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

NOTE 2 - CASH AND INVESTMENTS, CONTINUED

G. Fair Value Hierarchy, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of C/CAG as of June 30, 2024:

Investment Type	Exempt	Total
Investments by Fair Value:		
California Local Agency Investment Fund	\$ 17,030,135	\$ 17,030,135
San Mateo County Investment Pool	11,269,174	11,269,174
Money Market Fund	-	-
Total Investments at Fair Value	\$ 28,299,309	28,299,309
Cash in banks		1,179,485
Total Cash and Investments		\$ 29,478,794

Both the California Local Agency Investment Fund and the San Mateo County Investment Pool are external investment pool measured at fair value and exempt in the fair value hierarchy under GASB 72.

NOTE 3 - MEMBER CONTRIBUTIONS

Member contributions are nonrefundable and are assessed annually based on population and C/CAG's adopted budget for the current fiscal year. Member contributions were as follows during the fiscal year ended June 30, 2024:

Atherton	\$ 20,749
Belmont	89,891
Brisbane	22,089
Burlingame	122,398
Colma	11,859
Daly city	326,715
East Palo Alto	89,850
Foster City	119,913
Half Moon Bay	41,560
Hillsborough	34,398
Menlo Park	135,585
Millbrae	75,637
Pacifica	120,269
Portola Valley	16,011
Redwood City	312,372
San Bruno	147,030
San Carlos	110,478
South San Francisco	224,639
San Mateo	374,816
San Mateo County	176,592
Woodside	19,170
Total:	\$ 2,592,021

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

NOTE 4 - INTERFUND TRANSACTIONS

Transfers

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

Transfers In:	Transfers Out:					Total	
	Congestion Management	National Pollutant Discharge & Elimination System	Bay Area Air Quality Management District	Energy Watch	Measure M		
General Fund	\$ 438,103	\$ 89,873	\$ 11,872	\$ 17,819	\$ 45,774	\$ 603,441	(A)
National Pollutant Discharge & Elimination System	-	-	-	-	40,000	40,000	(B)
Energy Watch	150,000	-	-	-	-	150,000	(C)
Total Interfund Transfers	\$ 588,103	\$ 89,873	\$ 11,872	\$ 17,819	\$ 85,774	\$ 793,441	

- (A) Administrative overhead
- (B) Stormwater staff working on Measure M projects
- (C) Climate initiatives

Interfund Loans

Interfund loans as of June 30, 2024 consisted of the following:

Due to:	Due From:		
	San Mateo County Express Land JPA	Total	
General Fund	\$ 150,176	\$ 150,176	(A)
Congestion Management	2,639,324	2,639,324	(B)
Total Interfund Transfers	\$2,789,500	\$2,789,500	

- (A) To cover temporary negative cash in the JPA fund.
- (B) Long-term loan to fund the JPA's express lane costs. Toll fees from the express lane will pay back the loan. Interest is accrued at LAIF rates.

NOTE 5 - PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. C/CAG sponsors 2 miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and C/CAG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

NOTE 5 - PENSION PLAN, CONTINUED

Benefits Provided

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

The provisions and benefits of the plan in effect at June 30, 2024 are summarized as follows:

	<i>CCAG Miscellaneous Plan</i>	
	<u>Tier 1</u>	<u>PEPRA</u>
Hire date	On or after March 12, 2012	On or after Januray 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	15.95%	7.68%
Required UAL payment	\$50,613	\$0

CalPERS collects employer contributions for the plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL).

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. C/CAG is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

C/CAG's contributions to the Plan for the measurement period ended June 30, 2023 were \$93,571.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, C/CAG reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$766,325.

C/CAG's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. C/CAG's proportion of the net pension liability was based on C/CAG's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

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

NOTE 5 - PENSION PLAN, CONTINUED

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, continued

C/CAG's proportionate share of the net pension liability for the miscellaneous risk pool as of the measurement dates June 30, 2022 and June 30, 2023 was as follows:

Proportion - June 30, 2022	0.01494%
Proportion - June 30, 2023	0.01533%
Increase (Decrease)	0.00039%

For the year ended June 30, 2024, C/CAG recognized pension expense of \$135,804. At June 30, 2024, C/CAG reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution subsequent to measurement date	\$ 101,145	
Differences between actual and expected experience	39,148	6,073
Changes in assumptions	46,266	
Net differences between projected and actual earnings on plan investments	124,075	
Differences between employer's contribution and the employer's proportionate share of contributions	8,782	3,933
Changes in employer's proportion	10,876	11,165
Total	<u>\$ 330,292</u>	<u>\$ 21,171</u>

\$101,145 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	
2025	\$ 61,894
2026	43,295
2027	99,227
2028	3,560

NOTE 5 - PENSION PLAN, CONTINUED

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions	
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table (1)	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies

(1) The mortality table was developed based on CalPERS' specific data. The rates incorporate generational mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of the measurement date of June 30, 2023 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A detailed report testing these projections can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

NOTE 5 - PENSION PLAN, CONTINUED

Discount Rate, Continued

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

Asset Class (a)	Assumed Asset Allocation	Real Return (a,b)
Global equity - cap-weighted	30%	4.45%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

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

(b) Figures are based on the 2021-22 Asset Liability Mangement study

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents C/CAG's proportionate share of the net pension liability of the Plan, calculated using the discount rate of for the Plan, as well as what C/CAG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90%) or 1% point higher (7.90%) than the current rate:

Discount Rate		
1% Decrease 5.90%	Current 6.90%	1% Increase 7.90%
\$ 1,136,774	\$ 766,325	\$ 461,413

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS

General Information About the Other Post Employment Benefit Plan (OPEB)

C/CAG administers a single-employer defined benefit post-employment healthcare plan. Permanent employees who retire under C/CAG's retirement plan (CalPERS) are, pursuant to their respective collective bargaining agreements, eligible to have their medical insurance premiums reimbursed by C/CAG up to the Kaiser family premium rate. Medical insurance premiums for spouses and other dependents generally are not paid by C/CAG. Currently there are three retirees receiving this benefit.

During the fiscal year 2015, the Board authorized to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of C/CAG, with a deposit of \$30,000 with CERBT to begin funding its OPEB liability. This Trust is not considered a component unit of C/CAG and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Employees Covered – Membership in the plan consisted of the following at June 30, 2024:

Active plan members	2
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	0
Total	<u>5</u>

Net OPEB Liability

Actuarial Methods and Assumptions – C/CAG's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Funding Method	Entry Age Normal Cost, level percent of pay
Assets Valuation Method	Market value of assets
Long Term Return on Assets	5.50%
Discount Rates	5.50%
Salary Increase	3.0% per year. Benefits do not depend on salary. This is used to allocate the cost of benefit between service years.
Inflation Rate	2.5% per year
Healthcare Cost Trend Rates	4.0% increase per year for PEMHCA, other premiums and costs are expected to increase 6.5% in 2025, trending down to 3.9% in 2075 and later
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017

Discount Rate – The discount rate used to measure the total OPEB liability was 5.5%.

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Changes in Net OPEB Liability

The changes in the Net OPEB Liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at Fiscal Year Ended 06/30/2023 (Measurement Date 06/30/2022)	\$ 497,910	\$ 315,062	\$ 182,848
Changes Recognized for the Measurement Period:			
Service cost	6,864	-	6,864
Interest on the total OPEB liability	26,820	-	26,820
Investment income		11,317	(11,317)
Employer contributions		89,270	(89,270)
Changes of benefit terms	(7,809)		(7,809)
Administrative expenses		(91)	91
Changes in assumptions	(8,474)	-	(8,474)
Change due to plan Experience	1,369		1,369
Benefit payments	(34,270)	(34,270)	-
Net changes	(15,500)	66,226	(81,726)
Balance at Fiscal Year Ended 06/30/2024 (Measurement Date 06/30/2023)	\$ 482,410	\$ 381,288	\$ 101,122

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

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
4.50%	5.50%	6.50%
\$ 157,969	\$ 101,122	\$ 53,768

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

Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rates		
1% Decrease	Current Trend	1% Increase
\$ 50,673	\$ 101,122	\$ 161,903

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

For the year ended June 30, 2024, C/CAG recognized OPEB Expense of \$34,964. As of fiscal year ended June 30, 2024, C/CAG reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 92,593	\$ -
Changes of assumptions	15,771	6,574
Differences between expected and actual experience	5,232	
Net difference between projected and actual earnings on investments	30,239	-
Total	<u>\$ 143,835</u>	<u>\$ 6,574</u>

\$92,593 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Fiscal Year Ending June 30,	
2025	\$ 21,161
2026	10,245
2027	12,490
2028	772
	<u>\$ 44,668</u>

NOTE 7 - RISK MANAGEMENT

C/CAG is covered under the County of San Mateo's insurance policies. Therefore, the limitations and self-insured retentions applicable to the County also apply to C/CAG. Additional information on coverage and self-insured retentions can be obtained by contacting the County of San Mateo.

NOTE 8 - COOPERATIVE FUNDING AGREEMENT – LOAN RECEIVABLE

On November 14, 2019, the C/CAG Board approved Resolution 19-71 authorizing the C/CAG Chair to execute the Cooperative Funding Agreement (loan agreement) with San Mateo County Express Lanes Joint Power Authority (SMCEL-JPA) in the amount of \$872,456 to partially fund the fiscal year 2019-20 operations of SMCEL-JPA as it commenced work on the San Mateo County 101 Express Lanes Project (Project).

During the fiscal year ended June 30, 2022, the loan agreement was amended to provide for additional loan advances up to a maximum amount of \$1,314,045 to support a portion of the fiscal year 2021-2022 operations. SMCEL-JPA will repay C/CAG with interest, based on the net earning rates on the San Mateo County Investment Pool. The loan balance and accrued interest will be repaid on a monthly basis no later than five years after the Project begins operations and receives toll revenue, unless otherwise agreed by C/CAG and SMCEL-JPA. The Project commenced tolling on the southern segment (Whipple Ave. to Santa Clara County line) in February 2022 and commenced tolling on the northern segment (Whipple Ave to I-380) in March 2023. As of March 2023, the entire 44 lane miles were in operation as toll lanes. The loan balance as of June 30, 2024 was \$2,722,547.

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

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

C/CAG is subject to litigation arising in the normal course of business. In the opinion of legal counsel there is no pending litigation which is likely to have a material adverse effect on the financial position of C/CAG.

NOTE 10 – PRIOR PERIOD ADJUSTMENTS

During fiscal year 2024, C/CAG determined that an interfund payable and receivable should be reflecting the amounts owed to and due from the Congestion Management and San Mateo County Express Lane JPA funds, respectively. The Congestion Management fund had originally provided the money to loan to the San Mateo County Express Lane JPA (JPA) and is expected to be made whole as the JPA pays down the loan. Therefore, “due from other funds” in the Congestion Management fund, and “due to other funds” in the San Mateo County Express Lane JPA fund, were understated by \$3,040,943. The effect of correcting the error is shown in the table below.

	Congestion Management	San Mateo County Express Lan JPA
6/30/23, as previously reported	\$ 11,026,310	\$ 3,044,666
Error correction	3,040,943	(3,040,943)
6/30/23, as restated	<u>\$ 14,067,253</u>	<u>\$ 3,723</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

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**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Member contributions	\$ 298,116	\$ 298,116	\$ 298,116	\$ -
Investment income	30,800	30,800	96,254	65,454
Total revenues	328,916	328,916	394,370	65,454
EXPENDITURES:				
Current:				
Professional services	722,008	722,008	354,123	367,885
Field and program supplies	11,000	11,000	4,861	6,139
Administrative expenses	175,000	175,000	182,589	(7,589)
Dues and memberships	19,250	19,250	4,300	14,950
Conferences and meetings	15,500	15,500	18,735	(3,235)
Publications	14,000	14,000	1,407	12,593
Other	17,200	17,200	1,916	15,284
Total expenditures	973,958	973,958	567,931	406,027
REVENUES OVER (UNDER) EXPENDITURES	(645,042)	(645,042)	(173,561)	471,481
OTHER FINANCING SOURCES (USES):				
Transfers in	603,441	603,441	603,441	-
Total other financing sources (uses)	603,441	603,441	603,441	-
Net change in fund balances	\$ (41,601)	\$ (41,601)	429,880	\$ 471,481
FUND BALANCES:				
Beginning of year			1,425,977	
End of year			\$ 1,855,857	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Congestion Management
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Member contributions	\$ 2,293,905	\$ 2,293,905	\$ 2,293,905	\$ -
Intergovernmental	12,375,240	12,375,240	2,699,187	(9,676,053)
Investment income	198,200	198,200	711,969	513,769
Total revenues	14,867,345	14,867,345	5,705,061	(9,162,284)
EXPENDITURES:				
Current:				
Professional services	7,061,232	7,061,232	3,314,492	3,746,740
Field and program supplies	2,000	2,000	-	2,000
Administrative expenses	366,000	366,000	188,906	177,094
Dues and memberships	25,000	25,000	12,904	12,096
Conferences and meetings	7,000	7,000	6,205	795
Publications	9,000	9,000	3,521	5,479
Distributions	13,891,200	13,891,200	1,379,315	12,511,885
Other	3,000	3,000	-	3,000
Total expenditures	21,364,432	21,364,432	4,905,343	16,459,089
REVENUES OVER (UNDER) EXPENDITURES	(6,497,087)	(6,497,087)	799,718	7,296,805
OTHER FINANCING SOURCES (USES):				
Transfers out	(588,103)	(588,103)	(588,103)	-
Total other financing sources (uses)	(588,103)	(588,103)	(588,103)	-
Net change in fund balances	\$ (7,085,190)	\$ (7,085,190)	211,615	\$ 7,296,805
FUND BALANCES:				
Beginning of year			11,026,310	
Restatement			3,040,943	
Beginning of year, as restated			14,067,253	
End of year			<u>\$ 14,278,868</u>	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
National Pollutant Discharge & Elimination System
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,885,282	\$ 1,885,282	\$ 714,120	\$ (1,171,162)
NPDES fees	1,582,678	1,582,678	1,564,002	(18,676)
Investment income	35,200	35,200	102,741	67,541
Total revenues	3,503,160	3,503,160	2,380,863	(1,122,297)
EXPENDITURES:				
Current:				
Professional services	3,128,895	3,128,895	2,123,756	1,005,139
Administrative expenses	36,000	36,000	28,638	7,362
Dues and memberships	28,000	28,000	29,894	(1,894)
Conferences and meetings	6,000	6,000	3,805	2,195
Distributions	830,000	830,000	9,920	820,080
Other	1,000	1,000	16	984
Total expenditures	4,029,895	4,029,895	2,196,029	1,833,866
REVENUES OVER (UNDER) EXPENDITURES	(526,735)	(526,735)	184,834	711,569
OTHER FINANCING SOURCES (USES):				
Transfers in	40,000	40,000	40,000	-
Transfers out	(89,873)	(89,873)	(89,873)	-
Total other financing sources (uses)	(49,873)	(49,873)	(49,873)	-
Net change in fund balances	\$ (576,608)	\$ (576,608)	134,961	\$ 711,569
FUND BALANCES:				
Beginning of year			1,603,451	
End of year			<u>\$ 1,738,412</u>	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Bay Area Air Quality Management District
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
AB 434 DMV fees	\$ 1,020,400	\$ 1,020,400	\$ 1,057,330	\$ 36,930
Investment income	26,400	26,400	109,856	83,456
Total revenues	1,046,800	1,046,800	1,167,186	120,386
EXPENDITURES:				
Current:				
Professional services	63,364	63,364	24,556	38,808
Administrative expenses	2,000	2,000	-	2,000
Distributions	2,297,730	2,297,730	556,197	1,741,533
Total expenditures	2,363,094	2,363,094	580,753	1,782,341
REVENUES OVER (UNDER) EXPENDITURES	(1,316,294)	(1,316,294)	586,433	1,902,727
OTHER FINANCING SOURCES (USES):				
Transfers out	(11,872)	(11,872)	(11,872)	-
Total other financing sources (uses)	(11,872)	(11,872)	(11,872)	-
Net change in fund balances	\$ (1,328,166)	\$ (1,328,166)	574,561	\$ 1,902,727
FUND BALANCES:				
Beginning of year			1,379,289	
End of year			\$ 1,953,850	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
AB 1546
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 8	\$ 8
Investment income	11,500	11,500	21,244	9,744
Total revenues	11,500	11,500	21,252	9,752
EXPENDITURES:				
Current:				
Professional services	384,000	384,000	10,000	374,000
Distributions	125,000	125,000	125,000	-
Total expenditures	509,000	509,000	135,000	374,000
REVENUES OVER (UNDER) EXPENDITURES	(497,500)	(497,500)	(113,748)	383,752
Net change in fund balances	\$ (497,500)	\$ (497,500)	(113,748)	\$ 383,752
FUND BALANCES:				
Beginning of year			525,868	
End of year			<u>\$ 412,120</u>	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Energy Watch
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 720,000	\$ 720,000	\$ 517,002	\$ (202,998)
Investment income	9,900	9,900	36,565	26,665
Total revenues	729,900	729,900	553,567	(176,333)
EXPENDITURES:				
Current:				
Professional services	932,103	932,103	444,483	487,620
Administrative expenses	16,000	16,000	22,175	(6,175)
Conferences and meetings	10,000	10,000	60,748	(50,748)
Publications	-	-	20,598	(20,598)
Total expenditures	958,103	958,103	548,004	410,099
REVENUES OVER (UNDER) EXPENDITURES	(228,203)	(228,203)	5,563	233,766
OTHER FINANCING SOURCES (USES):				
Transfers in	150,000	150,000	150,000	-
Transfers out	(17,819)	(17,819)	(17,819)	-
Total other financing sources (uses)	132,181	132,181	132,181	-
Net change in fund balances	\$ (96,022)	\$ (96,022)	137,744	\$ 233,766
FUND BALANCES:				
Beginning of year			564,995	
End of year			\$ 702,739	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure M
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 7,706,268	\$ 7,706,268	\$ 7,038,177	\$ (668,091)
Investment income	25,800	25,800	579,251	553,451
Cost reimbursement	50,000	50,000	777,418	727,418
Total revenues	7,782,068	7,782,068	8,394,846	612,778
EXPENDITURES:				
Current:				
Professional services	2,645,742	2,645,742	2,424,531	221,211
Administrative expenses	47,000	47,000	45,826	1,174
Dues and memberships	500	500	-	500
Conferences and meetings	7,000	7,000	2,633	4,367
Distributions	6,229,159	6,229,159	4,517,621	1,711,538
Total expenditures	8,929,401	8,929,401	6,990,611	1,938,790
REVENUES OVER (UNDER) EXPENDITURES	(1,147,333)	(1,147,333)	1,404,235	2,551,568
OTHER FINANCING SOURCES (USES):				
Transfers out	(85,774)	(85,774)	(85,774)	-
Total other financing sources (uses)	(85,774)	(85,774)	(85,774)	-
Net change in fund balances	\$ (1,233,107)	\$ (1,233,107)	1,318,461	\$ 2,551,568
FUND BALANCES:				
Beginning of year			9,362,417	
End of year			<u>\$ 10,680,878</u>	

**City/County Association
of Governments of San Mateo County
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
San Mateo County Express Lane JPA
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 123,546	\$ 123,546	\$ 101,869	\$ (21,677)
Cost reimbursement	532,603	532,603	363,606	(168,997)
Total revenues	656,149	656,149	465,475	(190,674)
EXPENDITURES:				
Current:				
Professional services	326,714	326,714	237,957	88,757
Administrative expenses	205,889	205,889	125,649	80,240
Dues and memberships	-	-	1,985	(1,985)
Other	-	-	101,869	(101,869)
Total expenditures	532,603	532,603	467,460	65,143
REVENUES OVER (UNDER) EXPENDITURES	123,546	123,546	(1,985)	(125,531)
Net change in fund balances	\$ 123,546	\$ 123,546	(1,985)	\$ (125,531)
FUND BALANCES:				
Beginning of year			3,044,666	
Restatement			(3,040,943)	
Beginning of year, as restated			3,723	
End of year			<u>\$ 1,738</u>	

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**City/County Association
of Governments of San Mateo County
Required Supplementary Information
For the year ended June 30, 2024**

CalPERS Cost Sharing Plan

Schedule of the Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Proportion of the net pension liability**	0.00414%	0.01233%	0.01273%	0.01298%
Proportionate share of the net pension liability	\$ 257,601	\$ 338,250	\$ 442,081	\$ 511,510
Covered payroll	\$ 272,087	\$ 285,078	\$ 257,693	\$ 270,037
Proportionate share of the net pension liability as a percentage of covered payroll	94.68%	118.65%	171.55%	189.42%
Fiduciary net position as a percentage of the total pension liability	83.03%	79.01%	75.20%	73.84%

Notes to the schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes).

Changes in Assumptions: The CalPERS discount rate increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and then decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

** These amounts reflect C/CAG's proportion of the Miscellaneous Pool of the CalPERS Cost-Sharing Plan only.

<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
0.01341%	0.01374%	0.01410%	0.01882%	0.01494%	0.015325%
\$ 505,489	\$ 550,228	\$ 594,576	\$ 357,268	\$ 699,031	\$ 766,325
\$ 311,785	\$ 298,420	\$ 316,724	\$ 325,885	\$ 312,885	\$ 329,989
162.13%	184.38%	187.73%	109.63%	223.41%	232.23%
75.10%	74.27%	73.59%	84.92%	71.83%	72.02%

**City/County Association
of Governments of San Mateo County
Required Supplementary Information
For the year ended June 30, 2024**

***CalPERS Cost Sharing Plan
Schedule of Pension Plan Contributions - Last 10 Fiscal Years***

Fiscal Year Ended	2015	2016	2017	2018
Actuarially determined contribution	\$ 43,618	\$ 41,142	\$ 40,857	\$ 54,162
Contributions in relation to actuarially deemed contributions	(43,618)	(41,142)	(40,857)	(54,162)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 285,078	\$ 257,693	\$ 270,037	\$ 311,785
Contributions as a percentage of covered payroll	15.30%	15.97%	15.13%	17.37%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market Value of Assets
Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry age and Service
Retirement age	50 and up

2019	2020	2021	2022	2023	2024
\$ 61,955	\$ 70,981	\$ 80,555	\$ 83,910	\$ 93,591	\$ 101,145
(61,955)	(70,981)	(80,555)	(83,910)	(93,591)	(101,145)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 298,420	\$ 316,724	\$ 325,885	\$ 312,885	\$ 329,989	\$ 379,458
20.76%	22.41%	24.72%	26.82%	28.36%	26.66%

**City/County Association
of Governments of San Mateo County
Required Supplementary Information
For the year ended June 30, 2024**

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

Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Total OPEB Liability				
Service cost	\$ 20,211	\$ 22,676	\$ 24,240	\$ 27,879
Interest	16,127	17,515	19,323	22,675
Change of Benefit Terms	-	-	-	-
Differences between expected and actual experience	(9,558)	-	(21,201)	-
Changes of assumptions	8,580	7,876	37,405	-
Benefit payments	(23,408)	(9,531)	(10,330)	(9,217)
Net change in the total OPEB liability	11,952	38,536	49,437	41,337
Total OPEB liability - beginning	239,601	251,553	290,089	339,526
Total OPEB liability - ending (a)	251,553	290,089	339,526	380,863
Plan Fiduciary Net Position				
Contribution - employer	48,408	54,162	53,132	57,669
Net investment income	4,093	5,389	9,662	10,179
Administrative expense	(31)	(46)	(30)	(94)
Other expenses	-	(115)	-	-
Benefit payments, including refunds of employee contributions	(23,408)	(9,531)	(10,330)	(9,217)
Net change in plan fiduciary net position	29,062	49,859	52,434	58,537
Plan fiduciary net position - beginning	57,882	86,944	136,803	189,237
Plan fiduciary net position - ending (b)	86,944	136,803	189,237	247,774
Net OPEB liability/asset - ending (a) - (b)	\$ 164,609	\$ 153,286	\$ 150,289	\$ 133,089
Covered-employee payroll	\$ 311,785	\$ 283,864	\$ 298,420	\$ 308,984
Net OPEB liability as a percentage of covered-employee payroll	52.80%	54.00%	50.36%	43.07%

Notes to schedule:

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

	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
\$	28,715	\$ 5,762	\$ 6,864
	25,324	28,003	26,820
	-	-	(7,809)
	30,225	-	1,369
	6,362	35,021	(8,474)
	(8,804)	(33,561)	(34,270)
	81,822	35,225	(15,500)
	380,863	462,685	497,910
	462,685	497,910	482,410
	49,048	50,016	89,270
	52,102	(41,308)	11,317
	(120)	(85)	(91)
	-	-	-
	(8,804)	(33,561)	(34,270)
	92,226	(24,938)	66,226
	247,774	340,000	315,062
	340,000	315,062	381,288
\$	<u>122,685</u>	<u>\$ 182,848</u>	<u>\$ 101,122</u>
\$	325,887	\$ 313,888	\$ 347,103
	37.65%	58.25%	29.13%

**City/County Association
of Governments of San Mateo County
Required Supplementary Information
For the year ended June 30, 2024**

Schedule of OPEB Contributions - Last 10 Fiscal Years*

Fiscal Year Ended June 30,	2018	2019	2020**	2021
Actuarially determined contribution	\$ 54,162	\$ 54,899	\$ 55,709	\$ 49,312
Contributions in relation to the actuarially determined contribution	(54,162)	(53,132)	(57,669)	(49,048)
Contribution deficiency (excess)	\$ -	\$ 1,767	\$ (1,960)	\$ 264
Covered employee payroll	\$ 283,864	\$ 298,420	\$ 308,984	\$ 325,887
Contributions as a percentage of covered employee payroll	19.08%	17.80%	18.66%	15.05%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

*Valuation date	June 30, 2023
Funding method	Entry Age Normal Cost, level % of pay
Amortization method	10 year closed Level Dollar
Asset valuation method	Market value
General inflation rate	2.50%
Healthcare Trend Rates	6.5% in 2025 decreasing to 3.9% by 2075
Salary increases	3.00%
Investment rate of return	5.50%
Retirement age	Ages 50 to 75
Mortality	2021 CalPERS Experience Study
Mortality improvement	MacLeod Watts Scale 2022

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

**The actuarially determined contribution for fiscal year ended June 30, 2020 was developed from the 2017 valuation.

<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 50,016	\$ 24,980	\$ 22,536
(50,016)	(89,270)	(92,593)
<u>\$ -</u>	<u>\$ (64,290)</u>	<u>\$ (70,057)</u>
\$ 313,888	\$ 347,103	\$ 329,500
15.93%	25.72%	-28.10%

**City/County Association
of Governments of San Mateo County
Required Supplementary Information
For the year ended June 30, 2024**

Notes to Required Supplementary Information - C/CAG Budgetary Information

C/CAG's Governing Board adopts an annual operating budget on or before June 30 for the ensuing fiscal year for all funds. C/CAG follows a budgeting process in which C/CAG plans and objectives are outlined and budgeted. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds.

C/CAG's Governing Board may amend the budget by resolution during the fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Expenditures in Excess of Budget

For the year ended June 30, 2024, none of the funds had total expenditures exceeding the budgeted amounts.