



City of  
**LOS ALTOS**

**Los Altos**  
Community Center

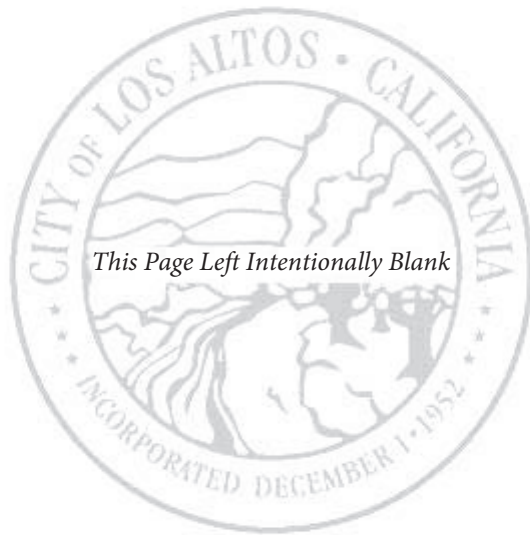
# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For Fiscal Year ended June 30, 2024



**CITY OF LOS ALTOS, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Prepared by:  
Finance Department**



*This Page Left Intentionally Blank*

**City of Los Altos**  
**For the Year Ended June 30, 2024**

**Table of Contents**

---

	<u>Page</u>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal .....	i
Organizational Chart .....	ix
List of Principal Officials .....	x
GFOA Certificate of Achievement .....	xi
<b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	29
Statement of Activities .....	30
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	37
Reconciliation of the Balances Sheet of Governmental Funds to the Statement of Net Position .....	38
Statement of Revenues Expenditures and Changes in Fund Balances – Governmental Funds .....	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	40
Proprietary Fund Financial Statements:	
Statement of Net Position – Proprietary Funds .....	43
Statement of Revenues, Expenses and Changes in Fund Net position – Proprietary Funds.....	44
Statement of Cash Flows – Proprietary Funds.....	45
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position .....	49
Statement of Changes in Fiduciary Net Position.....	50
Notes to Financial Statements .....	53

**City of Los Altos**  
**For the Year Ended June 30, 2024**

**Table of Contents**

---

	<u>Page</u>
<b>FINANCIAL SECTION, Continued:</b>	
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Cost-Sharing Plan .....	96
Schedule of Plan Contributions - CalPERS Cost-Sharing Plan .....	98
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	100
Schedule of OPEB Contributions .....	102
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund .....	104
In-Lieu Park Land Fund .....	105
Notes to the Required Supplementary Information .....	106
<b>SUPPLEMENTARY INFORMATION</b>	
Major Funds:	
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual	
Capital Projects Fund .....	109
Los Altos Community Center Lease Fund .....	110
Non-Major Governmental Funds:	
Description of Non-Major Funds .....	111
Combining Balance Sheet .....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	118
Statements of Revenues, Expenditures and Change in Fund Balances - Budget and Actual	
Vehicle Impound .....	122
Supplemental Law Enforcement .....	123
Gas Tax .....	124
Proposition 1B .....	135
Storm Drain Deposits .....	126
Downtown Parking .....	127
Traffic Impact Fee .....	128
Estate Donation .....	129
TDA .....	130
PEG .....	131
Vehicle Registration Fees .....	132
SB1 Road Maintenance Rehabilitation .....	133
Public Art .....	134
AB-1379 .....	135
Equipment Replacement .....	136
Debt Service General .....	137

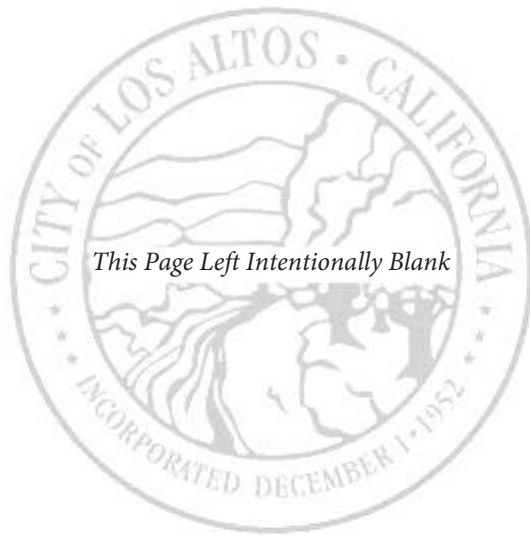
**City of Los Altos**  
**For the Year Ended June 30, 2024**

**Table of Contents**

---

	<u>Page</u>
<b>FINANCIAL SECTION, Continued:</b>	
Internal Service Funds:	
Combining Statement of Net Position .....	141
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	142
Combining Statement of Cash Flows .....	143
Custodial Funds:	
Combining Statement of Net Position .....	147
Combining Statement of Activities.....	148
<b>STATISTICAL SECTION:</b>	
Financial Trends:	
Net Position by Component .....	151
Changes in Net Position.....	152
Fund Balances of Governmental Funds.....	154
Changes in Fund Balances of Governmental Funds .....	156
Revenue Capacity Information:	
Tax Revenue by Source – Governemtnal Funds .....	158
Assessed Value of Taxable Property .....	159
Assessed Value of Property by Use Code .....	160
Property Tax Dollar Breakdown.....	161
Property Tax Dollar by Recipient Group.....	162
Principal Property Taxpayers.....	163
Property Tax Levies and Collections.....	164
Debt Capacity Information:	
Direct and Overlapping Tax Rates .....	165
Ratio of Outstanding Debt by Type .....	166
Schedule of Direct and Overlapping Bonded Debt.....	167
Legal Debt Margin Information.....	168
Demographic and Economic Information:	
Demographic Statistics.....	169
Principal Employers .....	170
Operating Information:	
Full-Time Equivalent City Employees by Function/Program .....	171
Full-Time Equivalent City Employees .....	172
Operating Indicators by Function/Program.....	173
Capital Asset Statistics by Function/Program.....	174
Trust and Agency Debt Administration.....	175





*This Page Left Intentionally Blank*





One North San Antonio Road  
Los Altos, California 94022

February 28, 2025

**Honorable Mayor  
and Members of the City Council  
City of Los Altos, California**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Los Altos, California (the City) for the fiscal year ended June 30, 2024. This document provides citizens, businesses, property owners, investors, and other interested parties with an overview of the City's finances. The information in this ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unmodified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the responsibility for the accuracy and fairness of this report ultimately rests with the City. For readers interested in a more detailed review of the City's financial statements, the Management's Discussion and Analysis (MD&A) is also included in this document. The MD&A reports on the financial highlights of the City and provides additional analysis of the variances and trends reported as part of the financial statements. The MD&A also discloses significant items affecting the financial condition of the City and is designed to be read in conjunction with this Letter of Transmittal and can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY AND ITS SERVICES**

Tree-lined streets and a small village atmosphere characterize Los Altos, which is in the heart of the world-famous Silicon Valley. Just 40 miles south of San Francisco, Los Altos is a residential community with a population of approximately 31,000 served by seven small retail areas. The seven-square-mile residential city is developed with small businesses, schools, libraries, and churches. Incorporated on December 1, 1952, Los Altos is a general law city operating under the Council-Manager form of government. There are five Council members elected at large, serving four-year overlapping terms. Municipal services provided include police, street maintenance, engineering, community development, parks, recreation, and sewer. Fire protection is contracted with the Santa Clara County Central Fire Protection District.

## City Structure

The City operates under the Council-Manager form of government, with five Council Members elected by district to staggered four-year terms. The Mayor and Vice Mayor are elected by the Council from their membership, and each serves a one-year term. The City Council serves as the legislative and policy-making body of City government and is responsible for enacting City ordinances, adopting resolutions, approving the annual budget, appointing commissions and committees, and hiring the City Manager and City Attorney.

The City Manager is responsible for implementing City Council policies, ordinances, and directives; overseeing day-to-day operations; and appointing the directors of the City's departments and all personnel. As of June 30, 2024, the City had a permanent staff of 149 and augmented this staff with temporary, limited duration, and seasonal employees to address needs such as summer recreation programs. The City provides an array of services that include public safety/police services, park, recreation & Community Services, Executive, finance, human resources, public works, Environmental & Utilities Services and development services. Responsibilities in each service area include:

- **Executive** - includes The City Manager's Office, Economic Development, Emergency Preparedness, City Clerk's Office, City Attorney's Office, Risk Management, Human Resources, Information Technology, and Public Relations.
- **Public Safety** - includes all Police functions, comprised of Training, Communications, Patrol, Investigations, Community Policing, Animal Control, School Service Officers, Traffic Enforcement. Fire Services are contracted to the County.
- **Finance** - includes Finance, Budget, Treasury, and Accounting.
- **Park, Recreation & Community Services** - includes Parks, Facilities, Recreation Classes, Senior Services, Facility Rentals, Sports, and Camps.
- **Development Services** - includes Building Code Enforcement, Planning, Housing, Business License, Environmental Sustainability and Transportation Planning.
- **Public Works/ Engineering** - includes managing the Capital Investment Program, Streets Projects, Transportation Planning, Sewer and Storm Drain Operations.

The City also oversees the enterprise funds associated with Sewer and solid waste operations and several other special revenue funds such as the Park in Lieu fund, financial information for these operations is included in the ACFR. Library services are provided by the County of Santa Clara. Fire services are contracted to the County, water utilities are provided by a separate special district, with their own governing body.

## SERVICE EFFORTS AND MAJOR INITIATIVES

### Service Efforts

In fiscal year 2024, the City remained committed to providing essential services to residents while maintaining financial stability. The budget-to-actual reporting in this ACFR highlights the City's adherence to its financial plan, ensuring efficient resource allocation. All major funds operated within acceptable limits, reflecting prudent financial management and responsible stewardship of public resources.

### Major Initiatives

**Capital Improvements:** The key capital expenditures for Fiscal Year 2024 in the City of Los Altos focused on infrastructure improvements, city facilities, and emergency preparedness. Here's a breakdown of the notable investments:

- \$827,439 - Annual Sewer System Repair Program
- \$827,349 - City Facility Improvement
- \$365,409 - Emergency Operation Center
- \$117,721 - Annual Root Foaming
- \$100,620 - Annual Street Resurfacing

**Pedestrian Safety, Roads, and Walkways:** Los Altos continues to make significant progress in improving its infrastructure through various roadways, pedestrian, and community enhancement projects. Investments in street resurfacing, alley rehabilitation, and concrete repairs have helped maintain and enhance the city's transportation network, ensuring safer and smoother roads for all users. The city has also prioritized traffic safety improvements, including the replacement of traffic signs and accessibility upgrades at key intersections, reinforcing its commitment to pedestrian and cyclist safety.

**Civic Facilities:** Throughout Fiscal Year 2024, the City of Los Altos has continued to enhance and modernize municipal facilities with key upgrades and improvements. Improvements at Grant Park Facility, including electrical and HVAC upgrades, have enhanced efficiency and sustainability. Investments in ADA accessibility and infrastructure upgrades ensure safe, functional, and inclusive public spaces. The Emergency Operations Center has been further developed to strengthen preparedness and community safety.

## FINANCIAL CONTROLS AND PROCEDURES

**Financial Policies:** On an annual basis, the Council approves financial policies designed to promote sound financial management and ensure fiscal integrity over time. This ACFR reflects the implementation of these financial guidelines and presents all fund reserves and designations to define fund balance commitments and obligations as of the financial report date.

**Internal Control Structure:** City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft, or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

**Cash Management Policies:** The City of Los Altos continues to strategically manage its investment portfolio by pooling available cash from all funds, adhering to an annually adopted investment policy that prioritizes safety, liquidity, and yield. To optimize returns while mitigating risk, the City invests in a diversified mix of Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), and Public Trust Advisors (PTA). The latest investment reports reflect a well-balanced portfolio with a focus on fixed-income securities, government bonds, and other safe investments, ensuring financial sustainability while preserving capital. By working with Public Trust Advisors, the City has further enhanced its investment strategy, aligning with best practices in municipal finance to navigate market fluctuations effectively.

**Strengthening Key Fund Reserves:** This financial report highlights the City's commitment to maintaining strong fiscal reserves, ensuring continued funding for both capital projects and economic stability. As projected in the budget process, the City remains in a position to sustain at least 20% of budget expenditures in the General Fund reserve. In Fiscal Year 2024, the City allocated \$5 million to the PERS Reserve Fund to proactively manage CalPERS unfunded accrued liability (UAL) and Retiree Benefit Liability. Moving forward, the City will continue strategic financial planning to address rising CalPERS obligations while reinforcing the long-term sustainability of the PERS Reserve.

**Risk Management:** The City is insured for general liability through the Bay Cities Joint Powers Insurance Authority that covers claims in an amount up to \$10 million with a deductible or uninsured liability of up to \$250,000 per claim. The City is insured for Workers' Compensation through Bay Cities Joint Powers Insurance Authority that covers claims in an amount up to \$10 million with a self-insured retention of \$250,000 per claim. The City continues to maintain adequate funding levels to cover the cost of its actuarial obligations, but these rising cost areas will require continued attention in the coming years.

**GASB 75 Compliance:** This report complies with the provisions of Government Accounting Standard Board Statement #75 (GASB 75). This standard pertains to Other Post Employee Benefits (OPEB) and requires the completion of an actuarial study to account for post-employee benefit liabilities that exist. This reporting requirement is described in financial note 11 of the ACFR and the related liabilities reflected in the statements. As of June 30, 2024, the City's net OPEB obligation was valued at \$0.7 million, an amount reflected in the government-wide statements.

## EXECUTIVE FINANCIAL OVERVIEW

This executive financial overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. This section highlights key financial performance indicators for our major funds.

### General Fund

The General fund, the primary operating fund of the City, favorably exceeded expectations with an operating surplus of \$ 11.5 million before transfers, for fiscal year 2024. At year end, the total General fund balance equaled \$38.2 million with an unassigned fund balance of \$27.8 million after commitments and assignments.

As planned for in the budget process, this surplus must be allocated to maintain the City’s Operating Reserve at 20% and allocating major funding to capital improvements, such as street maintenance and annual facilities improvements. At year end, the City’s Operating Reserve is at \$9.6 million, 20.1%, and the Capital Project fund reserve is at \$10.8 million. Non-operating and transfer activities are as follows:

- \$1,403,364 transfer out for capital projects
- \$700,000 transfer out for funding Internal Service funds
- \$500,000 transfer out for equipment replacement
- \$500,000 transfer out for PERS Rate Reserve Fund

The General fund’s key revenue streams continue to grow at a steady pace. Property tax, which accounts for nearly 57.7% of the City’s revenues, continues to be the strongest driver with an increase of 5.4% in fiscal year 2024 over the prior year.

### Table of Revenues compared to Last Year and Current Year Budget

Revenues (in Millions)	FY23 Actual	FY24 Budget	FY24 Actual	Actual Var%	Budget Var%
Property tax	32.6	32.5	34.4	5.6%	5.9%
Sales tax	3.7	3.6	3.4	-7.0%	-4.4%
Utility users	3.2	2.8	3.5	9.9%	25.6%
Other tax	4.1	3.5	4.3	5.5%	23.5%
Licenses, permits and fees	5.6	4.6	5.4	-3.7%	17.2%
Grants and donations	0.2	-	0.8	303.4%	-
Charges for services	7.0	6.2	4.8	-31.4%	-22.5%
Fines and forfeitures	0.2	0.2	0.3	61.2%	61.2%
Interest and rentals	0.4	0.3	2.5	516.0%	721.3%
Other	0.1	0.3	0.1	13.9%	-62.0%
<b>Total Revenues</b>	<b>57.1</b>	<b>54.0</b>	<b>59.6</b>	<b>4.4%</b>	<b>10.4%</b>

**Other Tax Revenues details**

Revenues (in Millions)	FY23 Actual	FY24 Budget	FY24 Actual	Actual Var <sup>0</sup> %	Budget Var <sup>0</sup> %
Transient Occupancy Tax	2.83	1.89	3.07	8.3%	62.4%
Motor Vehicle Tax	0.03	0.03	0.04	30.4%	42.2%
Business License Tax	0.47	0.53	0.47	1.0%	-9.6%
Documentary Transfer Tax	0.64	0.84	0.63	-1.4%	-24.6%
Building Development Tax	0.14	0.20	0.11	-19.8%	-43.9%
<b>Total Revenues</b>	<b>4.1</b>	<b>3.5</b>	<b>4.3</b>	<b>0.1</b>	<b>24.3%</b>

General Fund revenues increased by 10.4% overall, outpacing the prior year’s 10.0% growth. This increase was driven by Property Tax, Interest and Rentals, Fines and Forfeitures, and Utility Users Tax. Interest income saw a significant boost, reaching \$2.5 million, due to rising interest rates and stronger investment returns. Property Tax grew by 5.6%, reflecting continued appreciation in assessed property values and new developments. However, Sales Tax declined by 4.4%, likely due to shifts in consumer spending and weaker taxable sales in key sectors. The City’s Transient Occupancy Tax (TOT) experienced a 62.4% surge, benefiting from a rebound in tourism and increased hotel occupancy. In contrast, Real Estate Transfer Tax and Documentary Transfer Tax fell by 24.6%, reflecting a slowdown in real estate transactions and lower property sales volume.

General fund expenditures decreased by 4.3 million, 8.21% lower than the final budget, with all categories significantly under budget, Public Works, which was \$1.45 million below budget, and Utility and Sustainability, which decreased by \$195,838. Public Safety expenditures were also \$1.48 million below the final budget. Overall, the City’s General fund had a surplus of \$9.3 million. The General Fund balance increased from \$19.3 million to \$28.9 million.

**Other Funds**

**Special Revenue, Internal and Enterprise Funds:** The outcomes of all other Governmental and Business Type funds met expectations. Capital Projects fund was \$2.8 million. The year end fund balance stood at \$10.8 million. In Lieu Park Land, and other special revenue funds concluded the year with a total balance of \$14.6 million. Internal Service funds concluded at \$3.6 million, while Enterprise funds finished the year with a combined net position of \$32.0 million.

**Fiduciary Funds:** The City acts as a custodian of funds held for the benefit of others. The Blue Oak Lane Sewer special assessment district is classified in the custodial group in recognition of the limited nature of this debt which is fully collateralized by homeowner assessments without City obligation.

**ECONOMIC TRENDS**

Several factors influence our current economic outlook. General Fund Revenues exceeded the budget by \$5.6 million.



The Federal Reserve maintained the federal funds rate at 5.25% to 5.50% during its June 2024 meeting, marking the seventh consecutive meeting without a rate change. The Fed anticipates only one rate cut in 2024, reflecting a cautious approach as it monitors economic indicators.

Los Altos, along with neighboring cities, has witnessed consistent increases in real estate property values over the past decade. Property Tax revenue remained resilient during the pandemic. However, a sharp rise in mortgage rates has dampened median home values and property sales, slowing the ascent of assessed property valuations. Consequently, while Property Tax revenue is forecasted to rise in the next fiscal year, the growth rate is expected to taper compared to previous years. Documentary Transfer Tax (TOT) is also anticipated to decline compared to previous fiscal years.

According to the U.S. Bureau of Labor Statistics, the unemployment rate for the San Jose-Sunnyvale-Santa Clara area was 3.9% as of December 2024, a slight decrease from November 2024. In comparison, the unadjusted unemployment rate during the same period was 5.2% for California and 3.8% for the nation.

While economic indicators do not point to an immediate slowdown, the risk of a recession in 2025 remains, with analysts estimating a 15% probability. While Property Tax revenues in Los Altos have remained strong, Business License Tax and development-related revenues remain vulnerable to economic downturns, while Utility User Tax and Franchise Tax may be impacted to a lesser extent. City staff will continue monitoring economic trends to ensure fiscal stability amid ongoing uncertainties.

In the FY25 budget, the City continues its proactive investment in infrastructure, expanding beyond fleet maintenance to include public safety upgrades, parks and recreation enhancements, and technology improvements. Funding supports modernized emergency response equipment, fire station renovations, and cybersecurity upgrades to enhance safety and efficiency. Additionally, park and facility improvements ensure accessible, high-quality recreational spaces for residents. These strategic investments strengthen city services, improve community well-being, and bolster long-term resilience against economic and operational challenges.

## **INDEPENDENT AUDIT**

The public accounting firm of Badawi and Associates performed the annual independent audit. The auditors' report on the City's financial statements is included in the financial section of this report.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2023. In the last 18 years, the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



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

### ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Division staff. Every member of the department deserves recognition and thanks for their commitment to the City and their profession. We also want to thank Badawi & Associates, our independent auditors, for their professionalism in performing this year-end financial audit, as well as the members of the Financial Commission for their dedication and expertise to help shape policies and procedures. We would also like to thank the members of the City Council, Jon Maginot and the Executive Team for their leadership and oversight in managing the financial operations of the City.

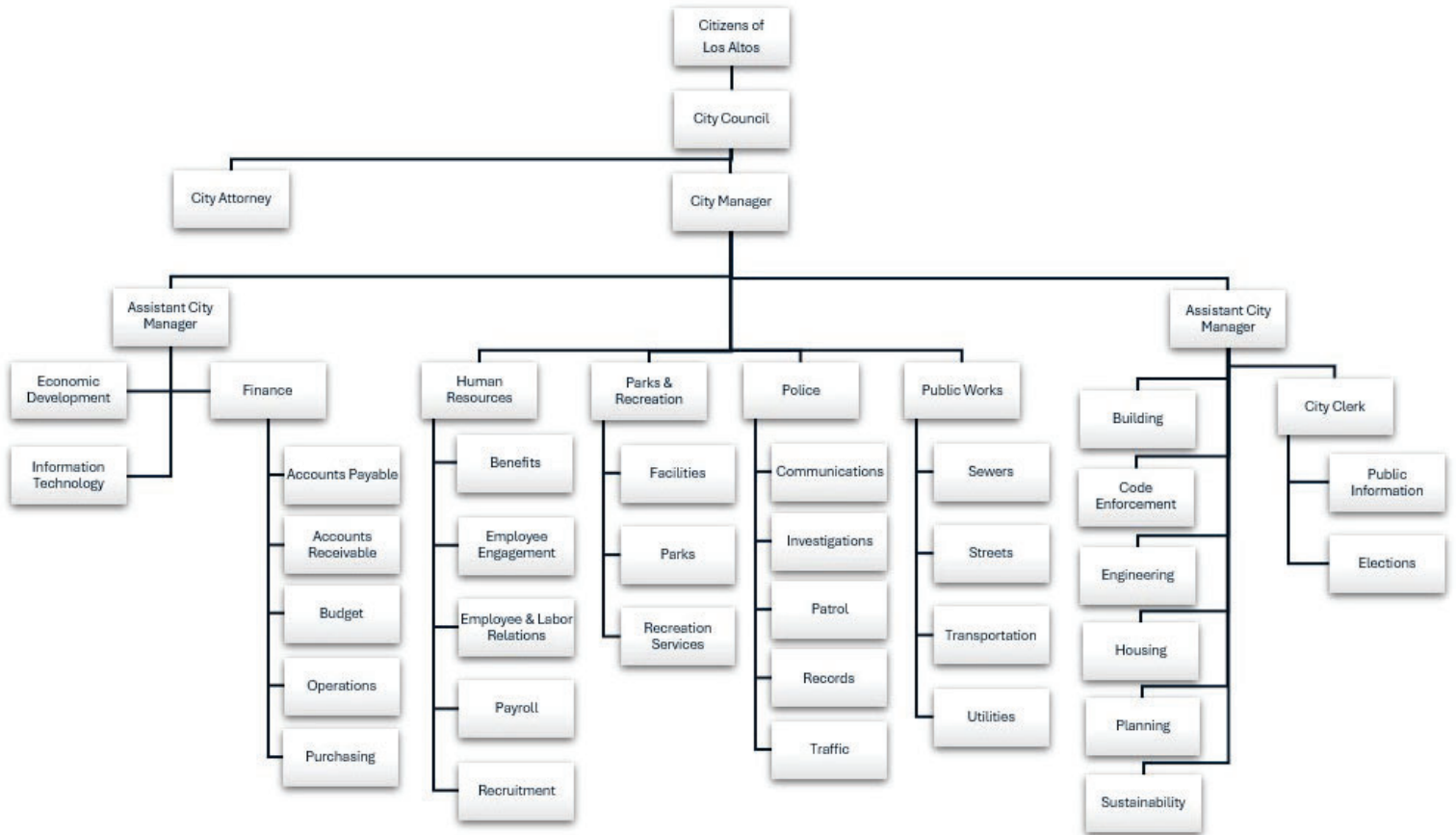
Respectfully submitted,

  
Gabriel Engeland (Feb 5, 2025 16:40 PST)  
**Gabriel Engeland**  
City Manager

  
**Jessie Kim**  
Finance Director



# City of Los Altos



# City of Los Altos

List of Principal Officials

As of June 30, 2024

---

## ELECTED OFFICIALS

Mayor ..... Jonathan Weinberg  
Vice Mayor ..... Pete Dailey  
City Council..... Sally Meadows  
City Council..... Neysa Fligor  
City Council..... Lynette Lee Eng

## APPOINTED OFFICIALS

City Manager..... Gabriel Engeland  
City Attorney..... Jolie Houston

## EXECUTIVE TEAM

Assistant City Manager..... Jon Maginot  
Assistant City Manager..... Nick Zornes  
Chief of Police..... Saskia Lagergren  
Interim Finance Director ..... Stephanie Beauchaine  
Human Resources Director..... Irene Barragan  
Public Works Director ..... Aida Fairman  
Parks, Recreation & Community Services..... Manuel Hernandez



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

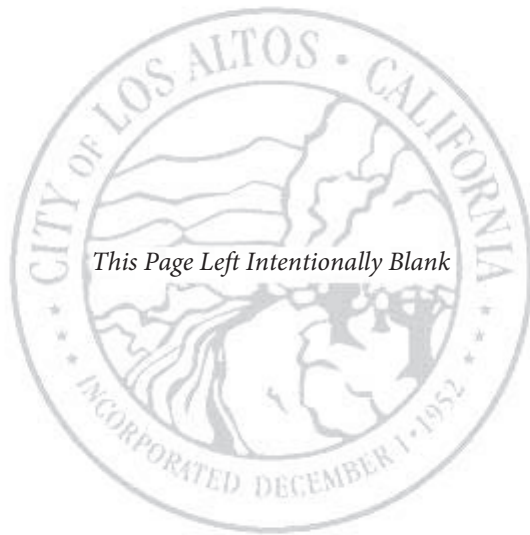
**City of Los Altos  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



*This Page Left Intentionally Blank*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Los Altos  
Los Altos, California

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Altos (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and OPEB information, and budgetary comparison schedules for the General Fund and the In Lieu Park Land Fund, on pages 5-23 and 95-106 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.



To the Honorable Mayor and Members of the City Council  
of the City of Los Altos  
Los Altos, California  
Page 3

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedules for the Capital Projects Fund and the Los Altos Community Center Lease Fund, the combining and individual statements and the budgetary comparison schedules for the nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules for the Capital Projects Fund and the Los Altos Community Center Lease Fund, the combining and individual statements, and the budgetary comparison schedules for the nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules for the Capital Projects Fund and the Los Altos Community Center Lease Fund, the combining and individual statements and the budgetary comparison schedules for the nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

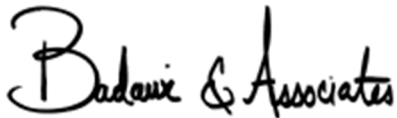
### *Other Information*

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members of the City Council  
of the City of Los Altos  
Los Altos, California  
Page 4

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Badawi & Associates".

Badawi & Associates, CPAs  
Berkeley, California  
February 28, 2025

# City of Los Altos

## Management's Discussion and Analysis, Continued

### For the year ended June 30, 2024

---

As management of the City of Los Altos (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024, in accordance with standards established by the Governmental Accounting Standards Board. We encourage readers to consider the information presented here, in conjunction with the additional information furnished in the Letter of Transmittal, which can be found in the preceding introductory section of this report, and with the City's basic financial statements and accompanying notes to those financial statements.

## USING THIS ANNUAL REPORT

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Reporting on the City as a Whole

**Government-wide Financial Statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all City assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets plus deferred outflows of resources and liability plus deferred inflows of resources as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, maintenance, and public works services, planning, building, engineering, and recreation. The City's business-type activities include sewer and solid waste.

The government-wide financial statements can be found on pages 29 to 31 of this report.

### Reporting on the City's Most Significant Funds

**Fund Financial Statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

**Notes to the Basic 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.

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information, such as budgetary comparison information relating to the City's General Fund and major special revenue funds. The report also contains a schedule of the City's proportionate shares in the Miscellaneous Pool and Safety Pool of a cost-sharing pension plan, and a schedule of the City's pension contributions to the plan. This information is intended to furnish additional details to support the basic financial statements.

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

**Governmental Funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, In-Lieu Park Land Special Revenue Fund, Measure B Special Revenue Fund, and Capital Project Fund, each of which are major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the fund supplementary information section of this report.

The City adopts a budget annually for the General Fund, Special Revenue Funds, (except for the Storm Drain Deposits Fund), and Equipment Replacement Capital Projects Fund that is effective July 1 for the ensuing fiscal year. A budgetary comparison statement has been provided for several key governmental funds.

The basic governmental fund financial statements can be found on pages 37 to 40 of this report.

**Proprietary Funds:** The City maintains two types of *proprietary funds*. Services for which the City charges customers a fee are generally reported in the City's *enterprise funds*. These proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its City dental plan and unemployment insurance, Workers' Compensation and Liability Insurance costs, as well as CalPERS pension and retiree health payments. Because these services predominantly benefit the governmental function, they have been included in the government-wide financial statements and, accordingly, the related intra-fund charges have been eliminated.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The City's two enterprise funds (Sewer and Solid Waste) are classified as major funds and are presented as such in the fund financial statements. The City follows the practice of adopting annual budgets for these operations as well.

The combining statements referred to earlier in relation to non-major governmental funds, proprietary and internal service funds, are presented immediately following the required supplementary information section. Combining and individual fund statements and schedules can be found on pages 114 to 121 of this report.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These can be found on pages 53 to 92 of this report.

**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

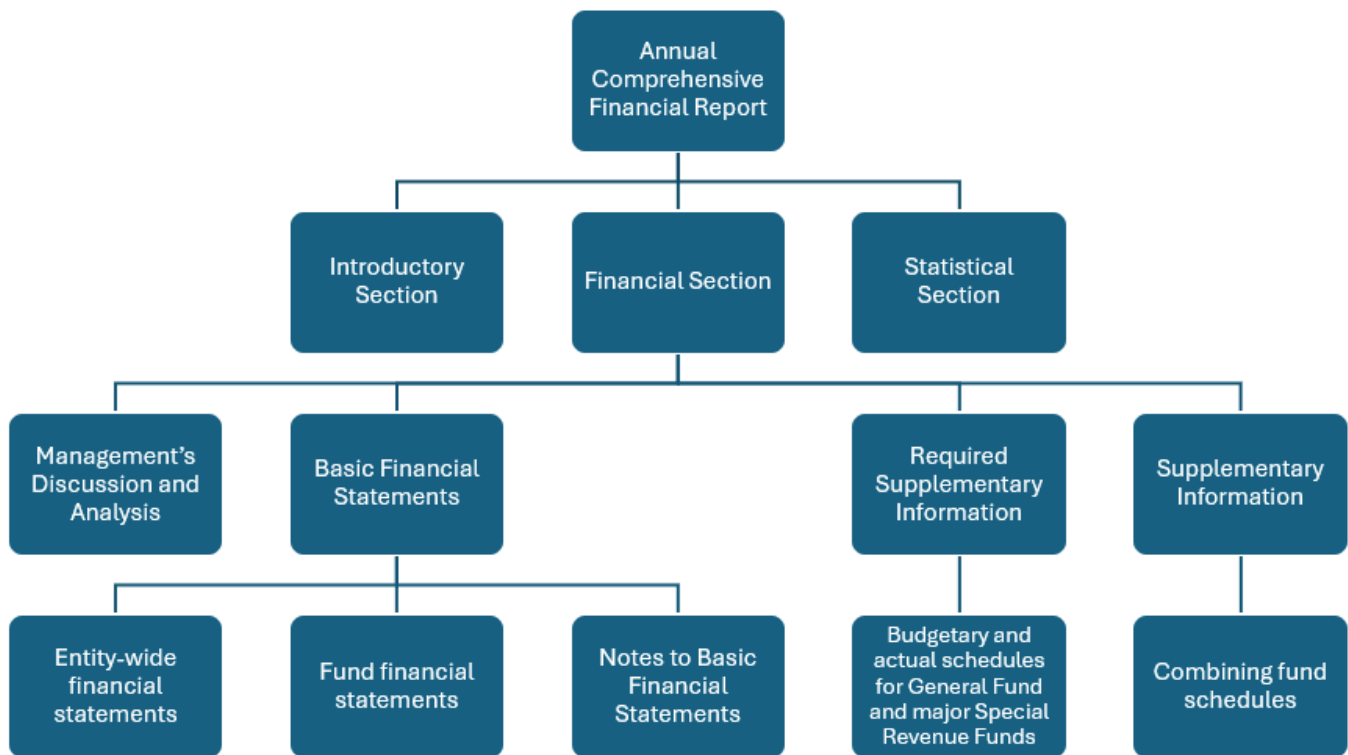
---

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City’s budget-to-actual financial comparisons for the General Fund and major special revenue funds.

**The City as Trustee**

**Fiduciary Fund:** The City is the fiduciary for one special assessment district – Blue Oak Lane Sewer. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

In summary, the various sections of this financial report are arranged as follows:



**FINANCIAL HIGHLIGHTS**

Financial highlights for the year ended June 30, 2024, include the following:

The City ended its fiscal year on a government-wide basis with total revenues of \$76.0 million, which was an increase of \$4.5 million or 6.3% compared to the prior year, and total expenses of \$66.4 million, an increase of \$13.4 million or 25.4%. The results represent combined government and business operations, with an overall increase in net position of \$9.2 million primarily due to an increase in property tax and investment income in Governmental Activities and increase in Charges for services in Business-type Activities. Property tax increased by \$1.8 million. Sewer revenues increased by \$1.6 million and there was an increase in grant revenue by \$1.1 million.

The increase in Government-wide expenses is primarily due to higher public safety and administration costs, which increased by \$4.8 million and \$4.1 million, respectively.

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

The General Fund reported an operating surplus of \$11.5 million before transfers in/(out). The General Fund transferred \$1.4 million to the Capital Projects Fund to support the rehabilitation and replacement of the City's infrastructure, including pavement restoration, architectural enhancements, public art preservation, safety and security system upgrades, tree services, and the modernization of essential systems and facilities to ensure sustainable and efficient operations. General Fund also transferred \$2.4 million to Internal Service Funds to pay for supportive services.

General Fund revenues increased to \$59.6 million, up \$2.4 million from the prior year's \$57.2 million. Expenditure increased to \$48.1 million, up \$4.5 million from the prior year's \$43.6 million.

General Fund unassigned/unrestricted fund balance for the current year totaled \$27.8 million, an increase of \$9.1 million or 48.7% when compared to prior year reported at \$18.7 million. The unassigned fund balance represents 57.7% of General Fund expenditures. The City Council has established a policy to maintain General Fund reserves at 20%. The City of Los Altos ended the fiscal year 2024 on a healthy reserve balance for general services.

Other Post-Employment Benefits (OPEB) liabilities increased by \$0.66 million to \$0.73 million from the prior year. This follows a significant reduction in the previous year due to a one-time contribution by the City, which temporarily lowered obligations. The current year's increase reflects the natural accrual of benefits earned during the year and the impact of interest on the outstanding liability. Changes in actuarial assumptions, such as updates to the discount rate and projected healthcare costs, also contributed to the increase. Although employer contributions and benefit payments helped offset the growth, they were not sufficient to fully counterbalance the overall rise in obligations.

Net Pension Liability for the City of Los Altos increased by \$3.2 million to \$47.5 million compared to the prior year figure of \$27.7 million. The increase is primarily due to changes in actuarial assumptions, including updated discount rates and demographic adjustments, which raised the overall liability. Additionally, differences between projected and actual investment returns contributed to the higher liability, reflecting market performance variations. While employer contributions and pension-related payments helped offset some growth, they were not sufficient to counterbalance the impact of these actuarial and market factors.

In FY24, the City completed capital improvement initiatives, including the annual street resurfacing program, sewer system repairs, and the installation of ALPR cameras. Ongoing initiatives include the City Hall expansion, Adobe Creek Sewer Replacement, and the implementation of a new financial system. Additional projects focused on parks, drainage, and community spaces to address infrastructure and service needs.

**Government-Wide View**

This section focuses on the net positions and changes in net positions of the City's governmental activities and business-type activities presented in the Government-wide Statement of Net Position and Statement of Activities. Changes in net position may serve over time as a beneficial indicator of the City's financial position.

- City total assets increased by \$13.0 million to \$223.2 million, of which \$187.5 million represented governmental assets and \$35.6 million represented business-type assets.
- City total liabilities increased by \$6.9 million to \$72.4 million, of which \$67.6 million were governmental liabilities and \$4.8 million were business-type liabilities.
- City total deferred outflows of resources related to its pension and OPEB obligations decreased by \$0.4 million to \$19.5 million, of which \$17.9 million represented governmental deferred outflows and \$1.6 million were business-type deferred outflows.
- City total deferred inflows of resources related to pension and OPEB decreased by \$3.2 million to \$5.0 million, of which \$4.5 million represented governmental deferred inflows and \$0.5 million were business-type deferred inflows.

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

- City net position increased by \$9.0 million to \$165.2 million, unrestricted net position increased by \$7.1 million to \$33.1 million from \$26.0 million, of which \$17.5 million represented governmental unrestricted net positions \$15.6 million were business type.
- Total government-wide revenues were \$76.0 million, an increase of \$4.6 million from the prior year's \$71.4 million. The City's governmental activities generated \$64.1 million in revenue, while the business-type activities generated \$11.9 million in revenue.
- Total government-wide expenses were \$66.4 million, an increase of \$13.4 million from the prior year's \$53.0 million. The City's governmental activities reported \$56.4 million in expenses, while the business-type activities reported \$10.0 million in expenses.
- As noted earlier, net positions may serve over time as a useful indicator of a government's financial position. In the case of the City of Los Altos, total net positions of governmental activities amounted to \$133.3 million as of June 30, 2024, and \$125.4 million as of June 30, 2023. The net positions for governmental activities increased by \$7.9 million when compared to prior year's. Of the total net positions of governmental activities, \$102.2 was invested in capital assets as of June 30, 2024 and \$102.7 million as of June 30, 2023.

**Fund Level View**

- Total governmental fund revenues increased \$2.0 million to \$63.4 million. Total governmental fund expenditures decreased to \$52.3 million in fiscal year 2023-24, a decrease of \$0.7 million from the prior year's \$53.0 million.
- The General Fund realized an operating surplus of \$11.5 million. Revenue surplus came from increases in property tax of \$1.8 million and interest and rental income of \$2.1 million. These increases were offset by reduced charges for services by \$2.2 million.
- Total governmental fund balances equaled \$63.5 million at fiscal year-end, an increase of \$10.6 million from prior year's fund balance of \$52.8 million.
- The In-Lieu Park Land Fund ended the year with a fund balance of \$8.0 million with revenues of \$0.9 million and transfers out of \$0.8 million spent on eligible projects and debt service payments.
- General government capital spending totaled \$2.7 million. The level of capital reinvestment in Los Altos reflects a sustained focus on the maintenance of streets, facilities, traffic calming efforts, and safety. In fiscal year 2024, the Capital Improvements Projects Fund balance ended the year with \$10.8 million.
- Other Non-Major Governmental Funds ended the fiscal year 2024 with a total combined fund balance of \$6.5 million, an increase of \$2.4 million from \$4.1 million in fiscal year 2023.
- Sewer operations ended the year with a net position of \$28.7 million. Operating revenue increased by \$1.6 million from \$8.8 million in fiscal year 2023 to \$10.4 million in fiscal year 2024.
- Solid waste operations ended the year with a net position of \$3.2 million. Operating expenses decreased by \$0.4 million from \$2.2 million in fiscal year 2023 to \$1.8 million in fiscal year 2024, primarily due to \$0.8 million decrease in pension expenses in current year, offset by increase of service and supplies.
- Internal Service Funds ended the year with a total combined net position of \$3.5 million in fiscal year 2024, an increase of \$0.3 million from \$3.2 million in fiscal year 2023.



**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This analysis focuses on the net position and changes in net position at the City-wide level as presented in the statement of net position and statement of activities which are summarized in the tables below as of June 30, 2024.

As noted earlier, the net position represents the difference between assets, the deferred outflow of resources and liabilities, and the deferred inflow of resources of the City's governmental activities and may over time serve as a useful indicator of the City’s financial position. The City’s governmental activities, assets, and deferred outflows exceeded liabilities and deferred inflows by \$133.3 million on June 30, 2024. Table 1 summarizes the City’s governmental wide activities net position.

Restricted net positions of \$13.6 million account for approximately 10.2% of the total net position in the current year, which was \$11.6 million in fiscal year 2023. The total restricted assets increased by \$2.0 million or 17.2% compared to the prior year. This increase in restricted assets is primarily due to capital contributions and funding allocated for infrastructure improvements, including streets and roads, as part of the City's ongoing efforts to enhance critical public infrastructure.

**Table 1**  
**Governmental Wide Activities Statement of Net Position (In Millions)**

	Governmental Activities		Business- Type Activities	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash and investments	\$ 73.4	\$ 59.6	\$ 18.5	\$ 17.8
Other assets	3.4	4.5	0.7	0.3
Capital assets	110.7	112.0	16.4	15.9
<b>Total assets</b>	<b>187.5</b>	<b>176.1</b>	<b>35.6</b>	<b>34.0</b>
<b>Deferred outflows of resources</b>	<b>17.9</b>	<b>18.1</b>	<b>1.6</b>	<b>1.8</b>
Current liabilities	8.4	6.3	0.2	0.3
Non-current liabilities	59.2	55.1	4.5	3.8
<b>Total liabilities</b>	<b>67.6</b>	<b>61.4</b>	<b>4.8</b>	<b>4.1</b>
<b>Deferred inflows of resources</b>	<b>4.5</b>	<b>7.4</b>	<b>0.5</b>	<b>0.8</b>
Net Position				
Net investment in capital assets	102.2	102.7	16.4	15.9
Restricted	13.6	11.6	0.0	0.0
Unrestricted	17.5	11.1	15.6	14.9
<b>Total net position</b>	<b>\$ 133.3</b>	<b>\$ 125.4</b>	<b>\$ 32.0</b>	<b>\$ 30.8</b>

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

**Governmental Activities**

Of the governmental activities total net position, \$102.2 million, or 76.7%, reflects its net investment in capital assets (e.g., land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The governmental activities total assets of \$187.5 million represent a \$13.0 million or a 6.2% increase, primarily driven by higher investment income and increased tax receipts.

Capital Assets (net) decreased by \$0.7 million or 0.6% compared to prior year primarily due to annual depreciation and asset retirements, which outpaced additions from capital project activities during the current year.

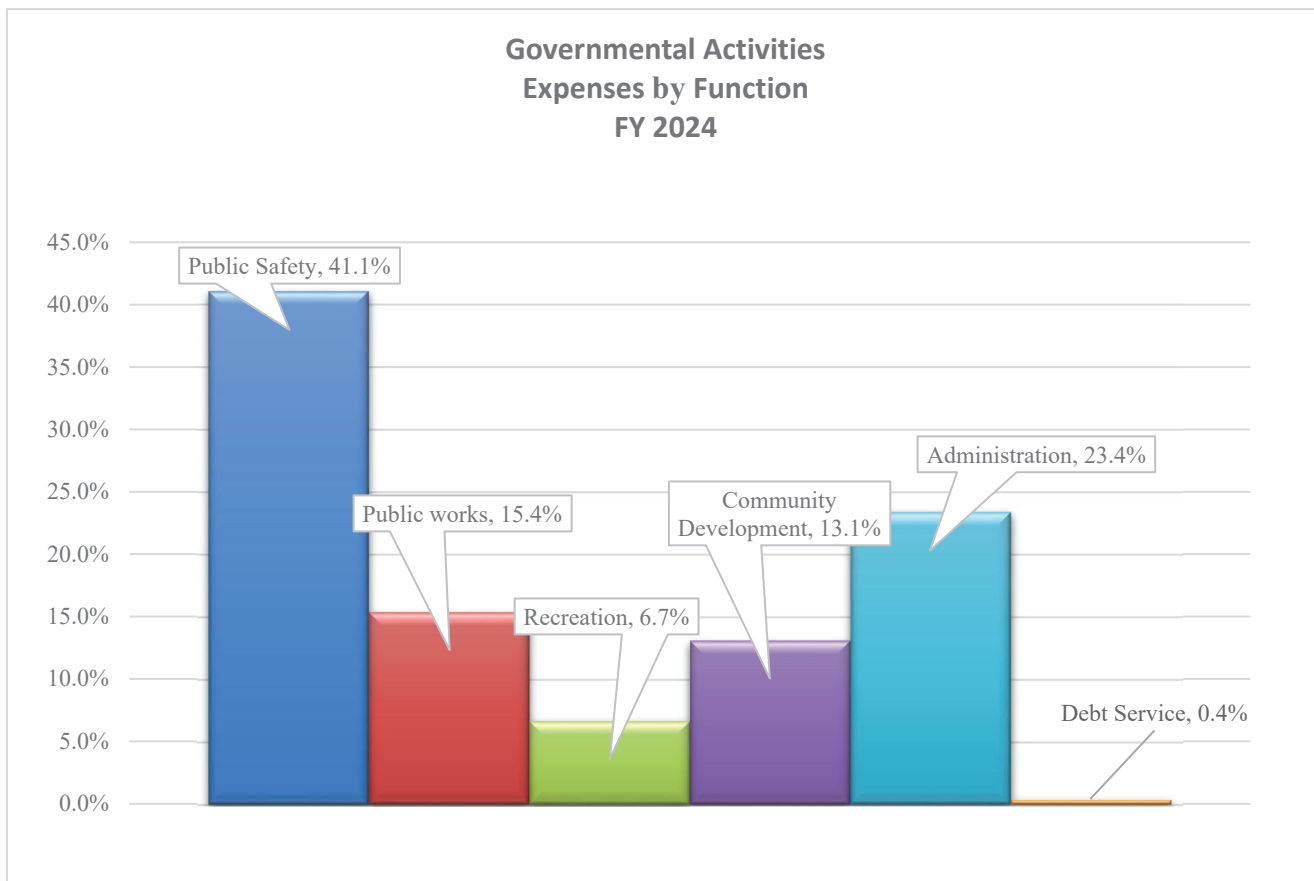
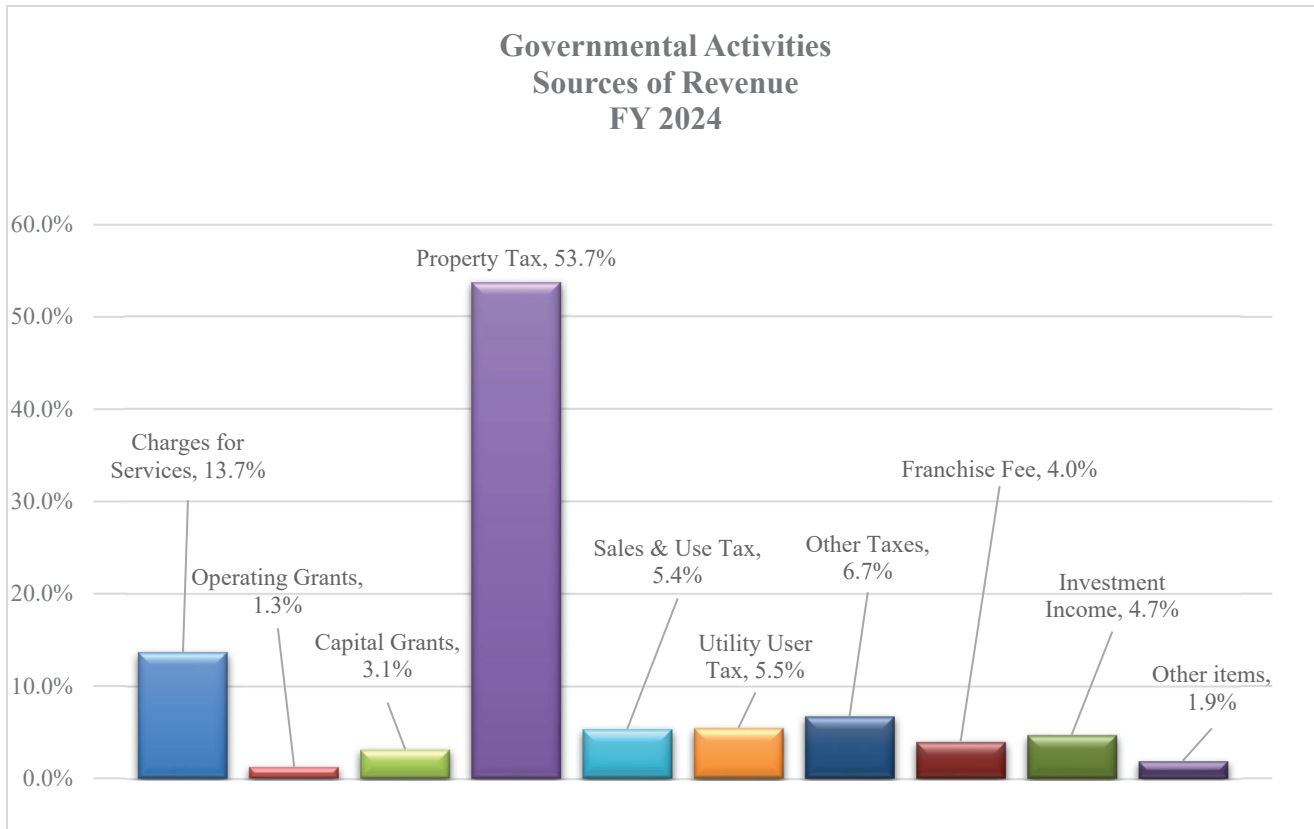
The governmental activities, total liabilities of \$67.6 million represent outstanding obligations for operations, capital projects, deposits held for development projects, long-term debt, and net pension liability. A portion of the governmental activities net position represents resources that are subject to restriction on how they may be used. Total liabilities increased by \$6.9 million or 10.5%.

The governmental activities deferred outflows of resources and deferred inflows of resources are related to the pension and OPEB obligations. The total deferred outflows of resources decreased \$0.4 million, and deferred inflows of resources decreased \$3.2 million compared to the prior year.

The following charts summarize governmental activities programs and general City revenues available for funding all City programs and major expense program categories.

For the fiscal year ended June 30, 2024, total revenues from all sources relating to governmental activities excluding transfers were \$64.1 million, and total expenses for all City programs relating to governmental activities were \$56.4 million.

**City of Los Altos  
 Management’s Discussion and Analysis, Continued  
 For the year ended June 30, 2024**



**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**TABLE 2**  
**Change in Net Position - Governmental Activities**  
**(In Millions)**

<b>Revenues</b>	<b>2024</b>	<b>2023</b>
Program revenues		
Charges for service	\$ 8.8	\$ 10.9
Operating contributions and grants	0.8	1.1
Capital grants	2.0	2.2
Total program revenues	<u>11.6</u>	<u>14.2</u>
General revenues		
Taxes:		
Property	34.4	32.6
Sales and use	3.5	3.7
Utility User	3.5	3.2
Other taxes	4.3	4.1
Franchise fees	2.6	2.5
Investment income	3.0	0.5
Other	0.5	0.5
Total general revenues	<u>51.7</u>	<u>47.2</u>
Total revenues	<u>63.4</u>	<u>61.4</u>
<b>Expenses</b>		
Public Safety	23.1	18.3
Public works	8.7	7.5
Recreation	3.8	2.9
Community Development	7.4	5.8
Administration / Community Services	13.2	9.1
Interest on Long Term Debt	0.2	0.2
Total expenses	<u>56.4</u>	<u>43.8</u>
Excess (deficiency) before transfers	7.0	17.6
Transfers (Net)	0.7	0.3
<b>Change in net position - Governmental Activities</b>	<u>7.7</u>	<u>17.9</u>
Net Position - Beginning of year	<u>125.4</u>	<u>107.5</u>
Net Position - End of year	<u>\$ 133.1</u>	<u>\$ 125.4</u>

Table 2 shows that governmental activities expenses, which totaled \$56.4 million, were higher than program revenues for governmental activities of \$11.6 million. These program revenues included \$8.8 million in charges for services, \$0.8 million in operating grants and contributions, and \$2.0 million in capital grants and contributions.

**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**Governmental Activities Revenues**

Charges for services include traffic safety fines, plan check fees, building inspection fees, other charges related to new construction, and fees charged for recreational activities and programs; these charges decreased by \$2.1 million or 19.4%.

Operating grants and contributions encompass funds provided by developers and grants allocated by local, state, and federal governments. These funds are earmarked for specific grant obligations or designated for one-time expenditures. On the other hand, capital grants and contributions are specifically intended to finance capital investments. General revenues, detailed in Table 2 of the preceding section, are available to cover expenses not fully met by revenues generated from programs. In the current fiscal year, the City received \$0.8 million in operating grants and \$2.0 million in capital grants.

**Governmental Activities Expenses**

**Public Safety** expenses increased by \$4.8 million or 26.5% from the prior year. The increase in public safety expenses is primarily due to rising salary costs, higher liability insurance premiums, and growing payments to the Santa Clara County Central Fire Protection District under the contract for fire protection and emergency medical services.

**Public works** expenses increased by \$1.2 million or 16.1% compared to the prior year. This increase is primarily attributed to higher depreciation costs associated with existing infrastructure assets, reflecting ongoing usage and wear and tear. While infrastructure additions in the current year were not significant enough to offset depreciation, operational costs related to maintenance and other restricted fund activities may have contributed to the overall rise.

**Community Development** expenses increased by \$1.6 million or 27.6% from the prior fiscal year primarily attributable to increased salary expenditures and liability insurance allocations.

**Recreation** expenses increased by \$0.8 million or 28.3% from the prior fiscal year primarily due to increased utilities and liability insurance allocations.

**Administration and Community Services** expenses increased by \$ 4.1 million or 44.7% compared to the prior year primarily due to an increase in salaries, software subscription and equipment purchase, and higher legal service costs associated with

**Table 3**  
**Governmental Activities**  
**Program Revenues and Net (Expense) Revenue From Services**  
**(In Millions)**

	<b>Program Revenues</b>		<b>Net (Expense) Revenue</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Public Safety	\$ 0.9	\$ 1.9	\$ (22.2)	\$ (16.4)
Public works	2.6	2.8	(6.1)	(4.7)
Recreation	1.5	1.4	(2.3)	(1.5)
Community Development	6.3	7.9	(1.1)	2.2
Administration / Community Services	0.3	0.2	(12.9)	(8.9)
Interest on Long Term Debt			(0.2)	(0.2)
<b>Totals</b>	<b>\$ 11.6</b>	<b>\$ 14.2</b>	<b>\$ (44.7)</b>	<b>\$ (29.5)</b>

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**Business-Type Activities**

As shown in Table 4 below, the net position of the City's business-type activities was \$32.0 million on June 30, 2024. Assets totaling \$35.6 million included a total of \$18.5 million in cash and investments, \$0.7 in receivables and other assets, and \$16.4 million in capital assets. Liabilities totaled \$4.8 million including \$0.2 million in current liabilities and \$4.5 million in non-current liabilities such as compensated absences and other liabilities.

**Table 4**  
**Business - Type Activities Statement of Net Position**  
**(In Millions)**

	<b>2024</b>	<b>2023</b>
Cash and investments	\$ 18.5	\$ 17.8
Other assets	0.7	0.3
Capital assets	16.4	15.9
<b>Total assets</b>	<b>35.6</b>	<b>34.0</b>
 <b>Deferred outflows of resources</b>	 <b>1.6</b>	 <b>1.8</b>
 Current liabilities	 0.2	 0.3
Non-current liabilities	4.5	3.8
<b>Total liabilities</b>	<b>4.8</b>	<b>4.1</b>
 <b>Deferred inflows of resources</b>	 <b>0.5</b>	 <b>0.8</b>
 Net Position		
Net investment in capital assets	16.4	15.9
Restricted	0.0	0.0
Unrestricted	15.6	14.9
<b>Total net position</b>	<b>\$ 32.0</b>	<b>\$ 30.8</b>

Table 5 shows that Business type activities expenses, which totaled \$10.0 million, were augmented by revenues of \$11.9 million. These revenues included \$11.3 million in charges for services and \$0.6 million in interest earnings, and others, thus adding \$1.2 million to the net position at the end of the year.

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**Table 5**  
**Change in Net Position - Business-type Activities**  
**(In Millions)**

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 11.3	\$ 9.8
Total program revenues	11.3	9.8
General revenues		
Investment income and other	0.6	0.2
Total revenues	11.9	10.0
<b>Expenses</b>		
Outside Services	5.9	4.6
Employee services	3.7	4.0
Depreciation	0.4	0.6
Total expenses	10.0	9.2
Excess (deficiency) before transfers	1.9	0.8
Transfers	(0.7)	(0.3)
	1.2	0.5
<b>Change in net position - Business-type Activities</b>		
Net Position - Beginning of year	30.8	30.3
Net Position - End of year	\$ 32.0	\$ 30.8

The Joint Sewer System Authority (JSSA) formed in 1968 by a joint exercise of powers among the Cities of Palo Alto, Mountain View, and Los Altos, constructed, maintains, and operates sewage treatment facilities serving its member cities. The City of Palo Alto acts as administrator for JSSA and bills each member its share of the operating costs. Los Altos is obligated through the year 2024 under an operating agreement with the City of Palo Alto for the water treatment plant and sewer services. Payments under this agreement are based on expected usage and are adjusted annually based on actual use and site operating costs.

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

**FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS**

These statements provide more detailed information about the City's major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's or government agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has several governmental funds, of which four are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The City's four major funds are - the General Fund, the In Lieu Parkland Fund, the Capital Project Fund, and the Los Altos Community Center Lease Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The City Council adopts a biennial appropriated budget for its General Fund and other funds. Budgetary comparison statements have been provided in the Required Supplementary Information section for the general fund and major special revenue funds that demonstrate compliance with their budgets.

**Proprietary funds**

The City maintains two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses Enterprise funds to account for its Sewer and Solid Waste operations, all of which are classified as major funds in the City's Statement of Net Position. Internal Service funds are used to accumulate and allocate costs internally among the City's various functions and to build up reserves for future liabilities related to the workforce. The City uses Internal Service funds to account for such activities as dental reimbursements, unemployment insurance, workers' compensation, liability insurance, and pension and OPEB related costs. Because these services solely benefit the governmental function, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as government-wide financial statements, only in more detail. All five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplemental Information section of this report.



**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**Fiduciary Funds**

The City is the agent for certain agencies and assessment districts, holding amounts collected that await payment as directed. The City’s fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City’s other financial statements because the City is acting as a trustee for these funds and cannot use these assets to finance its own operations. The City’s fiduciary funds include the Blue oak Lane Sewer special district.

**Summary Analysis of Governmental Funds**

On June 30, 2023, the City’s governmental fund balances were \$63.5 million, which is an overall increase of \$10.7 million, or 20.3%, as compared to the prior fiscal year. The increase was mostly due to the \$9.2 million increase in the General Fund fund balance, primarily due to the property tax and interest revenue increase.

**Table 6**  
**Statement of Revenues, Expenditures and Other Financing Sources/Uses**  
**Governmental Funds**  
**(In Millions)**

<b>Revenues</b>	<b>2024</b>	<b>2023</b>
Taxes:		
Property	\$ 34.4	\$ 32.6
Sales and Use	3.4	3.7
Utility Users	3.5	3.2
Other taxes	4.3	4.1
Licenses, permits and fees	5.4	5.8
Intergovernmental	2.3	3.7
Grants and Donations	1.6	0.3
Charges for services	4.9	7.1
Fines, forfeitures and penalties	0.3	0.2
Interest and Rentals	3.0	0.6
Other	0.1	0.1
	<u>63.4</u>	<u>61.4</u>
<b>Expenditures</b>		
Current:		
Public Safety	22.1	20.7
Public works	5.5	5.9
Recreation	3.1	2.8
Community Development	7.1	6.6
Administration / Community Development	10.7	7.8
Utility and sustainability	0.2	-
Capital Improvements	2.7	8.3
<b>Debt Service</b>		
Principal	0.6	0.6
Interest and Fiscal Charges	0.2	0.2
Total expenditures	<u>52.3</u>	<u>53.0</u>
Excess (deficiency) before transfers	11.1	8.5
<b>Other</b>		
Transfers (net)	<u>(0.5)</u>	<u>(1.7)</u>
Net change in fund balance	10.6	6.8
Beginning Fund Balance* Restated	52.8	46.0
<b>Ending Fund Balance</b>	<u>\$ 63.5</u>	<u>\$ 52.8</u>

**City of Los Altos**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

**Detailed Analysis of Major Governmental Funds by Fund**

**General Fund**

The General Fund is the chief operating fund of the City. For the year ending June 30, 2024, the total fund balance was \$38.2 million, \$10.4 million of which is non-spendable, restricted, or has been committed or assigned to cover contingencies, claims, encumbrances, advances to other funds, and other City projects. The unrestricted unassigned fund balance is \$27.8 million, an increase of \$9.1 million from the prior year.

Revenues were \$2.4 million higher in the fiscal year ended June 30, 2024, compared to last fiscal year, a change of 4.3%.

Expenditures increased \$4.5 million in the fiscal year ended June 30, 2024, compared to the last fiscal year, a change of 10.3%. Significant changes in revenues and expenditures that affected the General Fund balances are discussed below:

**General Fund Revenues**

**Property Taxes** Increased by \$1.8 million or 5.4%. The growth in property tax revenue is attributed to the increase in net taxable assessed values, which rose from \$20.3 billion in FY 2022/23 to \$21.6 billion in FY 2023/24. Residential properties made up 91.6% of the assessed value, reflecting continued demand and higher valuations in the local real estate market.

**Charges for Services** Decreased by \$2.2 million or 31.7%, primarily attributable to a reduction in large-scale building permits and plan check revenue.

**Interest and Rentals** increased by \$1.2 million or 531.8%, reflecting higher investment yields driven by rising interest rates in the market.

**General Fund Expenditures**

**Administration and Finance** increased by \$2.5 million, or 31.8% compared to last fiscal year, due to an increase in litigation services, software subscription and equipment purchases.

**In-lieu Park Land Fund**

The In-lieu Park Land Fund had revenues of \$0.5 million from in-lieu fees received during the year which was \$0.1 million higher than the prior year.

**Capital Project Fund**

The Capital Projects Fund accounts for funds used for capital improvements and significant maintenance projects. As of June 30, 2024, its fund balance was \$10.8 million, a decrease of \$1.1 million compared to the prior year. The Capital Budget also includes planned appropriations totaling approximately \$70 million over the fiscal year 2024 through fiscal year 2029 in the Capital Improvement and Major Maintenance Plan. These appropriations are sourced from various funding sources and focuses on key initiatives such as street resurfacing, sewer system repairs, and pedestrian infrastructure improvements, aligning with the City Council's strategic goals.

***Summary Analysis of Proprietary Funds***

As of June 30, 2024, the Enterprise Funds had a net position balance of \$31.9 million, an increase of \$1.1 million from the prior year. The net position balance of the Internal Service Funds was \$3.6 million on June 30, 2024, up \$0.4 million from the previous fiscal year.

**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

**Table 7**  
**Change in Fund Net Position - Proprietary Funds**  
**(In Millions)**

	<u>Total Enterprise Funds</u>		<u>Total Internal Service Funds</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 11.3	\$ 9.8	\$ 5.0	\$ 0.7
Operating expenses	10.0	9.2	5.9	2.1
<b>Operating income (loss)</b>	<u>1.3</u>	<u>0.6</u>	<u>(0.9)</u>	<u>(1.4)</u>
Non-operating revenues (expenses)	0.6	0.2	0.0	0.0
<b>Net income (loss) before contributions and operating transfers</b>	<u>1.9</u>	<u>0.8</u>	<u>(0.9)</u>	<u>(1.4)</u>
Transfers in (out) and Capital Contributions	(0.7)	(0.3)	1.2	1.9
<b>Change in net position</b>	<u>\$ 1.2</u>	<u>\$ 0.5</u>	<u>\$ 0.3</u>	<u>\$ 0.5</u>

**Sewer Fund**

This fund accounts for the administration and operation of the City’s sewer system. The total net position was \$28.7 million on June 30, 2024, an increase of \$1.9 million.

**Solid Waste Fund**

This fund accounts for the administration and operation of the City’s solid waste system. The total net position was \$3.2 million on June 30, 2024, a decrease of \$0.8 million.

**BUDGETARY HIGHLIGHTS OF THE CITY’S GENERAL FUND**

General Fund actual revenues were higher than the final budget by \$5.6 million, or 10.5%, which is primarily attributable to higher property tax, other tax, licenses, permits and fees, and interest earnings.

General Fund actual expenditures were \$4.3 million or 8.2% under the final budget, with savings from Community Development of \$0.8 million, Public Works of \$0.9 million, Administrative and Community Services of \$0.6 million, and Public Safety of \$1.5 million, and Recreation of \$0.2 million.

Net unassigned fund balance for the year was \$27.8 million after accounting for contributions to the Capital projects, Debt service, and others. This amount represents a \$9.1 million increase from the prior fiscal year.

**CAPITAL ASSETS AND LONG-TERM DEBT**

***Capital Assets***

The City records all of its capital assets, including infrastructure, in the Statement of Net Position. Infrastructure includes roads, bridges, signals, and similar assets used by the entire population. The City has recorded its capital assets at historical cost or estimated historical cost if the actual historical cost was not available. In addition, donated fixed assets have been valued at their estimated acquisition value on the date donated.

On June 30, 2024, the cost of infrastructure and other capital assets recorded on the City's financial statements is shown in Table 8 on the next page:

**Table 8**  
**Capital Assets**  
**(in Millions)**

	<u>2024</u>	<u>2023</u>
<b>Governmental activities</b>		
Land	\$ 11.6	\$ 11.7
Construction in progress	20.8	19.5
Buildings	23.6	23.6
Improvements	6.9	6.5
Machinery and equipment	7.9	7.2
Infrastructure	87.7	87.5
Less accumulated depreciation	(47.7)	(44.0)
<b>Totals</b>	<u><u>\$ 110.8</u></u>	<u><u>\$ 112.0</u></u>
<b>Business-type activities</b>		
Construction in progress	\$ 0.3	\$ 2.3
Buildings	16.0	16.0
Machinery and equipment	1.1	1.1
Infrastructure	12.1	9.2
Less accumulated depreciation	(13.1)	(12.7)
<b>Totals</b>	<u><u>\$ 16.4</u></u>	<u><u>\$ 15.9</u></u>

On June 30, 2024, the City had assets of \$110.8 million, net of depreciation, invested in a broad range of capital assets used in governmental activities, and \$16.4 million, also net of depreciation, invested in Business-type activities assets, as shown in Table 8 above.

The City depreciates all its capital assets on a straight-line basis over their estimated useful lives. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on capital assets may be found in Notes 1 and 4 to the Basic Financial Statements on pages 53 and 68, respectively.

**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

***Long-Term Debt***

On June 30, 2024, the City's debt was comprised of the following:

**Table 9**  
**Outstanding Debt**  
**(In Millions)**

	<u>2024</u>	<u>2023</u>
<b>Governmental activities</b>		
2004 Certificate of Participation	\$ 0.5	\$ 0.6
Community Center Lease	8.3	8.7
Compensated Absences	5.1	3.3
Total governmental activities debt	<u>\$ 13.8</u>	<u>\$ 12.6</u>
<b>Business-type activities</b>		
Compensated Absences	\$ 0.4	\$ 0.3
Total business-type activities debt	<u>\$ 0.4</u>	<u>\$ 0.3</u>
<b>Total debt</b>	<u>\$ 14.2</u>	<u>\$ 12.9</u>

The City made all required debt service payments on the issues listed above. Additional information on the City’s long-term debt may be found in Notes 1 and 5 to the Basic Financial Statements on pages 53 and 70, respectively.

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

The City of Los Altos continues to demonstrate strong financial health in fiscal year 2024, driven by sustained growth in property taxes, a resilient local economy, and improved investment returns. Property taxes remain the City’s largest and most stable revenue source, benefiting from the ongoing strength of the real estate market. In addition, the City’s strategic management of its investment portfolio has led to higher interest earnings in FY2024, enhancing overall revenue stability. However, Los Altos remains mindful of broader economic conditions. Projections for California’s economy in 2024 suggest below-average growth, with recovery anticipated in 2025. In the Bay Area, job growth has slowed, reflecting a gradual deceleration from its previously robust pace. While the local economy remains stronger than in many other parts of the state, California’s unemployment rate has risen to 5.3%, and job openings have declined significantly over the past year. Los Altos remains focused on carefully managing its finances and keeping a close watch on revenue streams. These efforts help ensure the City is prepared to handle regional economic changes.

The pension rate for fiscal year 2024 is based on information provided by the California Public Employee’s Retirement System (CalPERS). On July 19, 2023, CALPERS announced preliminary net investment rate of 5.8% for the fiscal year 2022-23<sup>1</sup>. While this return is an improvement from prior years, it is still below the assumed rate of return, leading to continued upward pressure on employer pension contributions.

**City of Los Altos**  
**Management’s Discussion and Analysis, Continued**  
**For the year ended June 30, 2024**

---

To address increasing retirement obligations, the City of Los Altos established the PERS Reserve Fund in the FY2023/24 budget with an initial allocation of \$5.0 million. In FY2024/25, an additional \$0.5 million was allocated, bringing the total to \$5.5 million. This reserve provides a critical safeguard against rising pension costs and supports long-term retiree health obligations, ensuring the City remains financially prepared to meet these commitments.

The City Council has also maintained its focus on capital infrastructure investments. During the FY2023/24 budget process, the Facility Maintenance Fund was established with an initial \$2 million allocation. An additional \$1 million was added in FY2024/25, increasing the fund balance to \$3 million. Additionally, the Fleet Vehicle Fund, which supports the modernization of the City’s fleet, was increased by \$500,000 in FY2024/25, bringing the total fund balance to \$1.5 million. These investments guarantee that the City can provide upgraded equipment and facilities for both staff and the community, enriching the experience for residents, visitors, and businesses alike.

The City also allocated \$2.3 million to the Emergency & Operating Reserve in FY2024/25, bringing the total reserve to \$11.08 million. This reserve strengthens the City’s capacity to respond to unexpected challenges while maintaining operational continuity.

These strategic financial decisions reflect the City’s commitment to long-term sustainability. By incorporating anticipated costs into the annual budget and maintaining robust reserves, the City minimizes its susceptibility to economic fluctuations while ensuring that its infrastructure, equipment, and services meet the needs of the community.

**Major Capital Projects in construction for fiscal years 2024 include:**

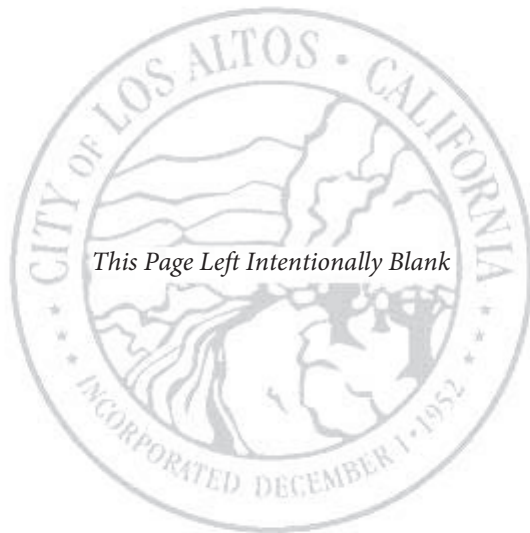
- \$827,439 – Annual Sewer System Repair Program
- \$827,349 – City Facility Improvement
- \$365,409 – Emergency Operation Center
- \$117,721 – Annual Root Foaming
- \$100,620 – Annual Street Resurfacing

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the following address: City of Los Altos, Finance Department, 1 North San Antonio Road, Los Altos, California 94022.

A copy of this financial report can be found on the City’s website at <http://www.losaltosca.gov>, by selecting “Audited Financials” in the “Quick Links” section and then selecting “Other Financial Reports.”

1. <https://www.calpers.ca.gov/page/newsroom/calpers-news/2023/calpers-preliminary-investment-return-fiscal-year-2022-23>



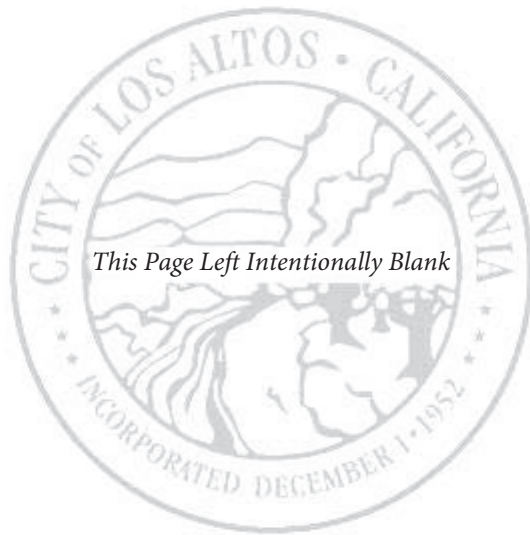
*This Page Left Intentionally Blank*



---

# **BASIC FINANCIAL STATEMENTS**

---

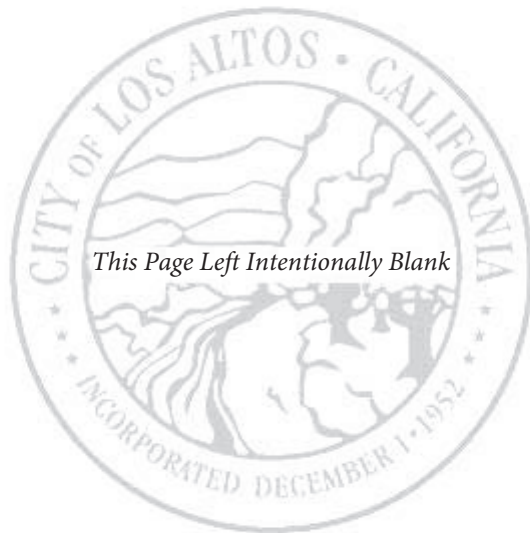


*This Page Left Intentionally Blank*

---

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

---



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Statement of Net Position**  
**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 73,422,137	\$ 18,545,415	\$ 91,967,552
Accounts receivable	3,178,462	780,471	3,958,933
Prepays and inventory	60,355	-	60,355
Total current assets	<u>76,660,954</u>	<u>19,325,886</u>	<u>95,986,840</u>
Noncurrent assets:			
Restricted cash and investments	173,523	-	173,523
Capital assets:			
Nondepreciable	32,489,047	348,923	32,837,970
Depreciable	125,986,886	29,130,489	155,117,375
Less accumulated depreciation	(47,746,101)	(13,083,748)	(60,829,849)
Total capital assets	<u>110,729,832</u>	<u>16,395,664</u>	<u>127,125,496</u>
Total noncurrent assets	<u>110,903,355</u>	<u>16,395,664</u>	<u>127,299,019</u>
<b>Total assets</b>	<u><b>187,564,309</b></u>	<u><b>35,721,550</b></u>	<u><b>223,285,859</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension	16,913,822	1,533,685	18,447,507
Related to OPEB	1,012,153	27,211	1,039,364
<b>Total deferred outflows of resources</b>	<u><b>17,925,975</b></u>	<u><b>1,560,896</b></u>	<u><b>19,486,871</b></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	4,030,437	206,015	4,236,452
Interest payable	992	-	992
Accrued liabilities	967,546	42,770	1,010,316
Other payable	100,416	-	100,416
Unearned revenue	231,614	-	231,614
Compensated absences, due in one year	1,414,406	117,191	1,531,597
Claims and judgements, due in one year	1,107,082	-	1,107,082
Long-term debt, due in one year	583,034	-	583,034
Total current liabilities	<u>8,435,527</u>	<u>365,976</u>	<u>8,801,503</u>
Noncurrent liabilities:			
Compensated absences	3,637,044	301,350	3,938,394
Claims and judgements	3,303,781	-	3,303,781
Net pension liability	43,521,698	3,954,306	47,476,004
Net OPEB liability	593,727	137,412	731,139
Long-term debt	8,142,000	-	8,142,000
Total noncurrent liabilities	<u>59,198,250</u>	<u>4,393,068</u>	<u>63,591,318</u>
<b>Total liabilities</b>	<u><b>67,633,777</b></u>	<u><b>4,759,044</b></u>	<u><b>72,392,821</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension	3,933,246	464,182	4,397,428
Related to OPEB	604,598	23,787	628,385
<b>Total deferred inflows of resources</b>	<u><b>4,537,844</b></u>	<u><b>487,969</b></u>	<u><b>5,025,813</b></u>
<b>NET POSITION</b>			
Net investment in capital assets	102,178,321	16,395,664	118,573,985
Restricted for:			
Debt service	379,153	-	379,153
Special programs:			
Public safety	118,722	-	118,722
Recreation	8,043,049	-	8,043,049
Streets and roads	3,187,750	-	3,187,750
Public education	762,094	-	762,094
Parking	1,027,445	-	1,027,445
Other purposes	75,338	-	75,338
Total restricted	<u>13,593,551</u>	<u>-</u>	<u>13,593,551</u>
Unrestricted	<u>17,546,791</u>	<u>15,639,769</u>	<u>33,186,560</u>
<b>Total net position</b>	<u><b>\$ 133,318,663</b></u>	<u><b>\$ 32,035,433</b></u>	<u><b>\$ 165,354,096</b></u>

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Statement of Activities**  
**For the year ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Public safety	\$ 23,113,241	\$ 618,889	\$ 329,865	\$ -	\$ 948,754
Public works	8,665,689	106,740	486,201	2,005,889	2,598,830
Recreation	3,757,232	1,489,116	-	-	1,489,116
Community development	7,381,502	6,309,625	-	6,910	6,316,535
Admin/ community services	13,162,972	265,440	-	-	265,440
Interest on long-term debt	215,443	-	-	-	-
Total governmental activities	56,296,079	8,789,810	816,066	2,012,799	11,618,675
<b>Business-type Activities:</b>					
Sewer	8,174,218	10,410,018	-	-	10,410,018
Solid waste	1,848,370	951,996	-	-	951,996
Total business-type activities	10,022,588	11,362,014	-	-	11,362,014
<b>Total primary government</b>	<b>\$ 66,318,667</b>	<b>\$ 20,151,824</b>	<b>\$ 816,066</b>	<b>\$ 2,012,799</b>	<b>\$ 22,980,689</b>

**General Revenues:**

Taxes:

- Property taxes
- Sales and use taxes
- Utility users' tax
- Other taxes
- Franchise fees

**Total taxes**

Interest income

Miscellaneous

Transfers

**Total general revenues and transfers**

**Change in net position**

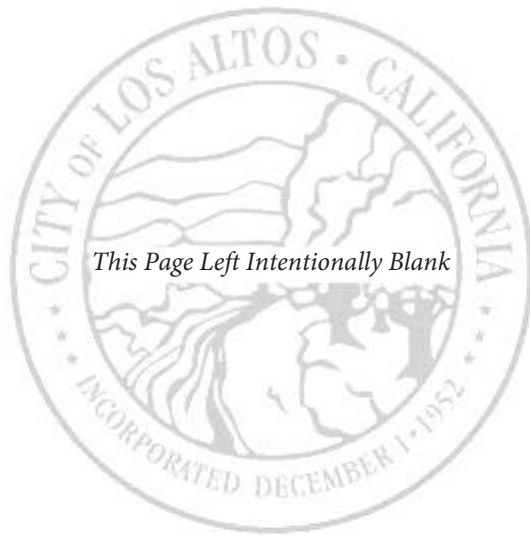
**Net position - beginning of year**

**Net position - end of year**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (22,164,487)	\$ -	\$ (22,164,487)
(6,066,859)	-	(6,066,859)
(2,268,116)	-	(2,268,116)
(1,064,967)	-	(1,064,967)
(12,897,532)	-	(12,897,532)
(215,443)	-	(215,443)
(44,677,404)	-	(44,677,404)
-	2,235,800	2,235,800
-	(896,374)	(896,374)
-	1,339,426	1,339,426
(44,677,404)	1,339,426	(43,337,978)
34,410,697	-	34,410,697
3,442,623	-	3,442,623
3,517,437	-	3,517,437
4,323,620	-	4,323,620
2,612,276	-	2,612,276
48,306,653	-	48,306,653
3,022,747	633,211	3,655,958
501,928	-	501,928
720,000	(720,000)	-
52,551,328	(86,789)	52,464,539
7,873,924	1,252,637	9,126,561
125,444,739	30,782,796	156,227,535
\$ 133,318,663	\$ 32,035,433	\$ 165,354,096





*This Page Left Intentionally Blank*

---

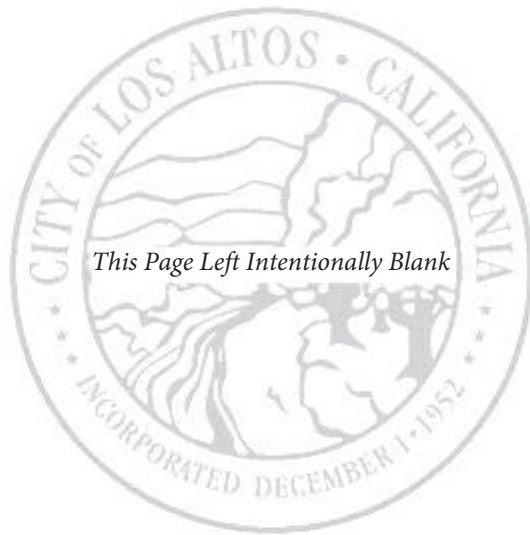
# FUND FINANCIAL STATEMENTS

---

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Major Government Funds**  
**For the Year Ended June 30, 2024**

The funds described below were determined to be Major Funds by the City in fiscal 2024. Individual non-major

**General Fund**

Accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in other funds. The General Fund supports essential City services such as police, fire, street and parks maintenance, maintenance services, community development and recreation activities. The General Fund also includes the Real Property Proceeds Funds, which accounts for the proceeds from the sale of real property and the Community Facilities Renewal Fund, which accounts for the revenues and expenditures related to the community facilities renewal efforts.

**In-Lieu Parkland Fund**

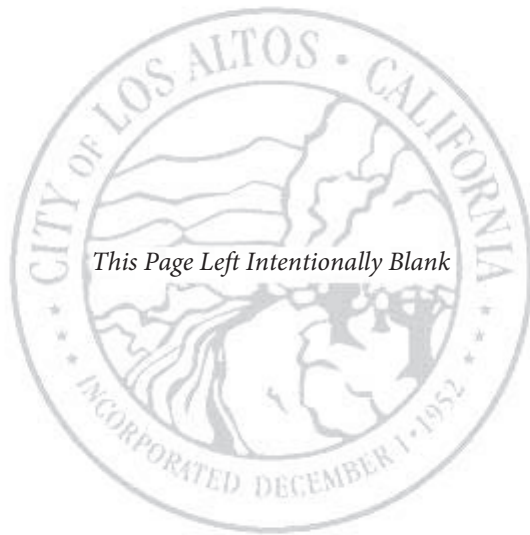
Accounts for revenues received in lieu of park land dedications. The revenues are dedicated for purchasing or improving park or recreational facilities.

**Capital Projects Fund**

Accounts for the acquisition and construction of major capital projects and plans that are financed by resources other than proprietary funds.

**Los Altos Communiyt Center Leases**

To account for the periodic payment of principal and interest on the community center lease and related authorized costs.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	General Fund	In-Lieu Park Land	Capital Projects	Los Altos Community Center Lease	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 38,355,539	\$ 8,043,049	\$ 11,854,694	\$ 522,717	\$ 6,679,928	\$ 65,455,927
Restricted cash and investments	-	-	-	-	173,523	173,523
Receivables, net:	-	-	-	-	-	-
Accounts	2,494,960	-	92,285	-	20,860	2,608,105
Interest	417,877	-	-	-	-	417,877
Prepays	44,562	-	-	-	-	44,562
Inventory	15,793	-	-	-	-	15,793
Due from other funds	201,445	-	-	-	-	201,445
<b>Total assets</b>	<b>\$ 41,530,176</b>	<b>\$ 8,043,049</b>	<b>\$ 11,946,979</b>	<b>\$ 522,717</b>	<b>\$ 6,874,311</b>	<b>\$ 68,917,232</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 2,043,029	\$ -	\$ 1,180,740	\$ 522,715	\$ 148,526	\$ 3,895,010
Accrued liabilities	967,546	-	-	-	-	967,546
Other payable	100,416	-	-	-	-	100,416
Due to other funds	-	-	-	-	201,445	201,445
Unearned Revenue	223,500	-	907	-	7,207	231,614
<b>Total liabilities</b>	<b>3,334,491</b>	<b>-</b>	<b>1,181,647</b>	<b>522,715</b>	<b>357,178</b>	<b>5,396,031</b>
<b>Fund Balances:</b>						
Nonspendable	60,355	-	-	-	-	60,355
Restricted	-	8,043,049	-	2	5,655,069	13,698,120
Assigned	10,328,969	-	10,765,332	-	1,063,509	22,157,810
Unassigned	27,806,361	-	-	-	(201,445)	27,604,916
<b>Total fund balances</b>	<b>38,195,685</b>	<b>8,043,049</b>	<b>10,765,332</b>	<b>2</b>	<b>6,517,133</b>	<b>63,521,201</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,530,176</b>	<b>\$ 8,043,049</b>	<b>\$ 11,946,979</b>	<b>\$ 522,717</b>	<b>\$ 6,874,311</b>	<b>\$ 68,917,232</b>

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2024**

**Total Fund Balances - Total Governmental Funds** \$ 63,521,201

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable	32,489,047
Depreciable, net	78,240,785

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds balance sheet. (992)

inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows of resources related to pension	16,913,822
Deferred outflows of resources related to OPEB	1,012,153
Deferred inflows of resources related to pension	(3,933,246)
Deferred inflows of resources related to OPEB	(604,598)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds balance sheet.

Compensated absences - due within one year	(1,414,406)
Long-term debt - due within one year	(583,034)
Compensated absences - due in more than one year	(3,637,044)
Long-term debt - due in more than one year	(8,142,000)
Net pension liability	(43,521,698)
Net OPEB liability	(593,727)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Governmental-Wide Statement of Net Position.

3,572,400

**Net Position of Governmental Activities** **\$ 133,318,663**



**City of Los Altos**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2024**

	General Fund	In-Lieu Park Land	Capital Projects	Los Altos Community Center Lease	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Property tax	\$ 34,410,697	\$ -	\$ -	\$ -	\$ -	\$ 34,410,697
Sales tax	3,442,623	-	-	-	-	3,442,623
Utility users	3,517,438	-	-	-	-	3,517,438
Other tax	4,323,620	-	-	-	-	4,323,620
Licenses, permits and fees	5,440,479	-	-	-	56,112	5,496,591
Intergovernmental	-	505,200	-	-	1,765,185	2,270,385
Grants and donations	806,765	-	529,369	-	229,865	1,565,999
Charges for services	4,803,649	-	-	-	126,112	4,929,761
Fines and forfeitures	322,309	-	-	-	17,811	340,120
Interest and rentals	2,463,994	405,057	-	-	169,523	3,038,574
Other	113,934	-	-	-	261	114,195
<b>Total revenues</b>	<b>59,645,508</b>	<b>910,257</b>	<b>529,369</b>	<b>-</b>	<b>2,364,869</b>	<b>63,450,003</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	22,062,151	-	-	-	-	22,062,151
Public works	5,489,877	-	-	-	-	5,489,877
Recreation	3,146,274	-	-	-	-	3,146,274
Community development	7,142,479	-	-	-	-	7,142,479
Admin / community development	9,985,875	-	468,643	-	275,130	10,729,648
Utility and sustainability	239,859	-	-	-	-	239,859
Capital improvements	(34)	-	2,344,783	-	348,455	2,693,204
Debt service:						
Principal	-	-	-	423,340	140,000	563,340
Interest and fiscal charges	-	-	50	198,750	16,643	215,443
<b>Total expenditures</b>	<b>48,066,481</b>	<b>-</b>	<b>2,813,476</b>	<b>622,090</b>	<b>780,228</b>	<b>52,282,275</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,579,027</b>	<b>910,257</b>	<b>(2,284,107)</b>	<b>(622,090)</b>	<b>1,584,641</b>	<b>11,167,728</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	340,000	-	1,650,143	622,091	1,385,925	3,998,159
Transfers out	(2,603,364)	(788,016)	(500,000)	-	(586,779)	(4,478,159)
<b>Total other financing sources (uses)</b>	<b>(2,263,364)</b>	<b>(788,016)</b>	<b>1,150,143</b>	<b>622,091</b>	<b>799,146</b>	<b>(480,000)</b>
<b>Net change in fund balances</b>	<b>9,315,663</b>	<b>122,241</b>	<b>(1,133,964)</b>	<b>1</b>	<b>2,383,787</b>	<b>10,687,728</b>
<b>FUND BALANCES:</b>						
Beginning of year, as previously presented	28,880,022	7,920,808	11,899,296	-	4,133,347	52,833,473
Prior period adjustments	-	-	-	1	(1)	-
Beginning of year, as restated	28,880,022	7,920,808	11,899,296	1	4,133,346	52,833,473
End of year	\$ 38,195,685	\$ 8,043,049	\$ 10,765,332	\$ 2	\$ 6,517,133	\$ 63,521,201

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**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**

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 10,687,728</b>
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	2,460,022
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(3,703,097)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(1,799,857)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	563,340
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	4,817,053
Pension income/(expense) is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(5,696,620)
OPEB income/(expense) is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	196,777
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	348,578
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 7,873,924</b>

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Major Proprietary Funds**  
**For the Year Ended June 30, 2024**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

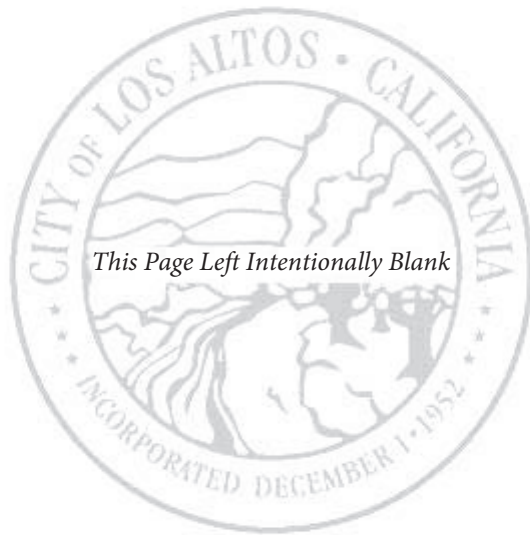
The City reported all of its Enterprise Funds as major funds in fiscal 2024.

**Sewer**

To account for the operation (including wastewater treatment) of the City's sewer treatment activities, a self-supporting activity which provides services on a user charge basis.

**Solid Waste**

To account for the collection and disposal of solid waste, a self-supporting activity that provides service on a user charge basis.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer	Solid Waste	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 14,272,883	\$ 4,272,532	\$ 18,545,415	\$ 7,966,210
Accounts receivable	712,345	68,126	780,471	152,480
Total current assets	14,985,228	4,340,658	19,325,886	8,118,690
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	348,923	-	348,923	-
Depreciable capital assets	29,130,489	-	29,130,489	-
Accumulated depreciation	(13,083,748)	-	(13,083,748)	-
Net capital assets	16,395,664	-	16,395,664	-
Total noncurrent assets	16,395,664	-	16,395,664	-
<b>Total assets</b>	<b>31,380,892</b>	<b>4,340,658</b>	<b>35,721,550</b>	<b>8,118,690</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pension	1,085,202	448,483	1,533,685	-
Related to OPEB	27,211	-	27,211	-
<b>Total deferred outflows of resources</b>	<b>1,112,413</b>	<b>448,483</b>	<b>1,560,896</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	130,807	75,208	206,015	135,427
Accrued liabilities	29,623	13,147	42,770	-
Compensated absences - current	104,787	12,404	117,191	-
Claims and judgements - current	-	-	-	1,107,082
Total current liabilities	265,217	100,759	365,976	1,242,509
Noncurrent liabilities:				
Compensated absences - noncurrent	269,453	31,897	301,350	-
Claims and judgments	-	-	-	3,303,781
Net pension liability	2,840,230	1,114,076	3,954,306	-
Net OPEB liability	82,260	55,152	137,412	-
Total noncurrent liabilities	3,191,943	1,201,125	4,393,068	3,303,781
<b>Total liabilities</b>	<b>3,457,160</b>	<b>1,301,884</b>	<b>4,759,044</b>	<b>4,546,290</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pension	306,886	157,296	464,182	-
Related to OPEB	23,787	-	23,787	-
<b>Total deferred inflows of resources</b>	<b>330,673</b>	<b>157,296</b>	<b>487,969</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,395,664	-	16,395,664	-
Unrestricted	12,309,808	3,329,961	15,639,769	3,572,400
<b>Total net position</b>	<b>\$ 28,705,472</b>	<b>\$ 3,329,961</b>	<b>\$ 32,035,433</b>	<b>\$ 3,572,400</b>

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2024**

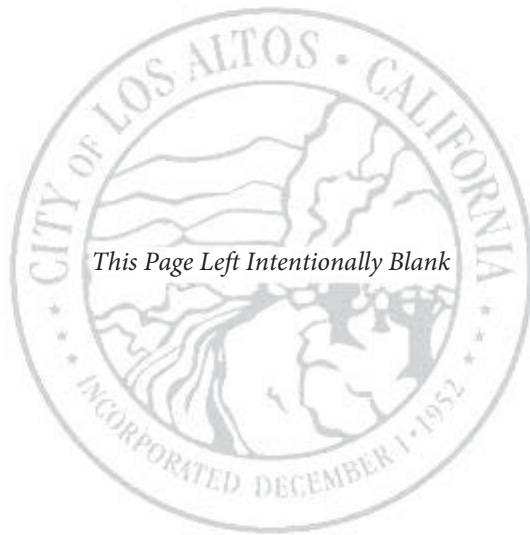
	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer	Solid Waste	Totals	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 10,410,018	\$ 951,996	\$ 11,362,014	\$ 5,025,595
<b>Total operating revenues</b>	<b>10,410,018</b>	<b>951,996</b>	<b>11,362,014</b>	<b>5,025,595</b>
<b>OPERATING EXPENSES:</b>				
Outside services	4,939,446	965,150	5,904,596	3,093,520
Employee services	2,856,569	883,220	3,739,789	-
Claims and insurance	-	-	-	2,708,383
Administration	-	-	-	75,114
Depreciation	378,203	-	378,203	-
<b>Total operating expenses</b>	<b>8,174,218</b>	<b>1,848,370</b>	<b>10,022,588</b>	<b>5,877,017</b>
<b>Operating income (loss)</b>	<b>2,235,800</b>	<b>(896,374)</b>	<b>1,339,426</b>	<b>(851,422)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	403,749	229,462	633,211	-
<b>Total nonoperating revenues (expenses)</b>	<b>403,749</b>	<b>229,462</b>	<b>633,211</b>	<b>-</b>
<b>Income before contributions and transfers</b>	<b>2,639,549</b>	<b>(666,912)</b>	<b>1,972,637</b>	<b>(851,422)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Transfers in	-	-	-	1,200,000
Transfers out	(720,000)	-	(720,000)	-
<b>Total contributions and transfers</b>	<b>(720,000)</b>	<b>-</b>	<b>(720,000)</b>	<b>1,200,000</b>
<b>Change in net position</b>	<b>1,919,549</b>	<b>(666,912)</b>	<b>1,252,637</b>	<b>348,578</b>
<b>NET POSITION:</b>				
Beginning of year	26,785,923	3,996,873	30,782,796	3,223,822
End of year	\$ 28,705,472	\$ 3,329,961	\$ 32,035,433	\$ 3,572,400

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2024**

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer	Solid Waste	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 9,868,138	\$ 966,833	\$ 10,834,971	\$ 4,949,506
Cash payments to suppliers for goods and services	(4,940,947)	(925,560)	(5,866,507)	(3,475,201)
Cash payment to employees for services	(2,431,976)	(814,796)	(3,246,772)	-
Insurance premiums, settlements and rebates	-	-	-	(2,133,376)
<b>Net cash provided by (used in) operating activities</b>	<b>2,495,215</b>	<b>(773,523)</b>	<b>1,721,692</b>	<b>(659,071)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from (to) other funds	(720,000)	-	(720,000)	1,200,000
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(720,000)</b>	<b>-</b>	<b>(720,000)</b>	<b>1,200,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(901,033)	-	(901,033)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(901,033)</b>	<b>-</b>	<b>(901,033)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	403,748	229,462	633,210	-
<b>Net cash provided by (used in) investing activities</b>	<b>403,748</b>	<b>229,462</b>	<b>633,210</b>	<b>-</b>
<b>Net cash flows</b>	<b>1,277,930</b>	<b>(544,061)</b>	<b>733,869</b>	<b>540,929</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>12,994,953</b>	<b>4,816,593</b>	<b>17,811,546</b>	<b>7,425,281</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 14,272,883</b>	<b>\$ 4,272,532</b>	<b>\$ 18,545,415</b>	<b>\$ 7,966,210</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 2,235,800	\$ (896,374)	\$ 1,339,426	\$ (851,422)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	378,203	-	378,203	-
Change in assets and liabilities:				
Receivables, net	(541,880)	14,837	(527,043)	(76,089)
Accounts payable and other accrued expenses inflows and outflows	(1,501)	39,590	38,089	91,338
Net OPEB liabilities	79,105	21,566	100,671	-
Compensated absences	172,481	83,882	256,363	-
Claims and judgments	173,007	(37,024)	135,983	-
	-	-	-	177,102
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,495,215</b>	<b>\$ (773,523)</b>	<b>\$ 1,721,692</b>	<b>\$ (659,071)</b>

See accompanying Notes to Basic Financial Statements.



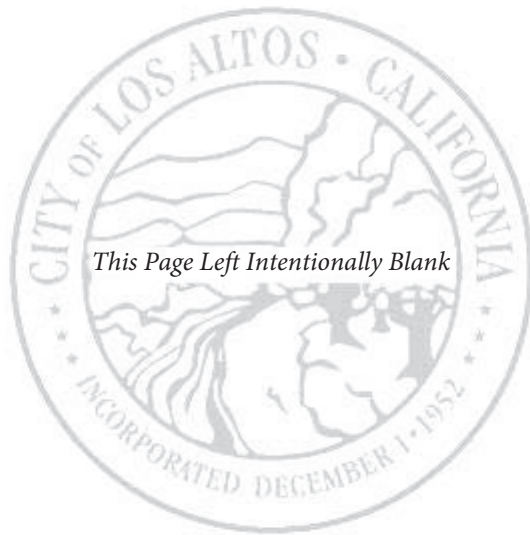
*This Page Left Intentionally Blank*



**City of Los Altos**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

The City of Los Altos only reports one type of Fiduciary Funds: Custodial Funds

Custodial Funds are custodial in nature and does not involve measurement of the results of operations. It is used to account for assets held in a custodial capacity for others and therefore cannot be used to support the City's programs.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2024**

---

	Custodial Funds
<b>ASSETS</b>	
Cash and investments	\$ 44,192
Restricted cash and investments	48,250
<b>Total assets</b>	<b>92,442</b>
<b>LIABILITIES</b>	
Accounts payable	1,127
<b>Total liabilities</b>	<b>1,127</b>
<b>NET POSITION</b>	
Restricted for:	
Improvement district	91,315
<b>Total Net Position</b>	<b>\$ 91,315</b>

See accompanying Notes to Basic Financial Statements.

**City of Los Altos**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2024**

---

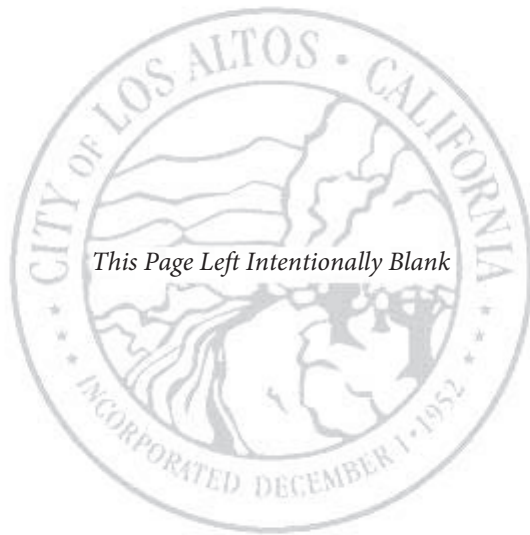
	Custodial Funds
	<u>                    </u>
<b>ADDITIONS:</b>	
Fee collections	\$          54,154
<b>Total additions</b>	<u>          54,154</u>
<b>DEDUCTIONS:</b>	
Distributions	<u>          53,571</u>
<b>Total deductions</b>	<u>          53,571</u>
<b>Change in net position</b>	583
<b>NET POSITION:</b>	
Beginning of year	<u>          90,732</u>
End of year	<u><u>          \$      91,315</u></u>

See accompanying Notes to Basic Financial Statements.

---

# NOTES TO BASIC FINANCIAL STATEMENTS

---



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Los Altos, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City incorporated in 1952. The City operates under an elected Council and appointed City Manager form of government and provides the following services: public safety, recreation, community development, public works, capital improvements, and general supporting administrative services. The City has no component units.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with such provisions and managerial requirements.

**Government-Wide Financial Statements**

The City's Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in the net position of the City. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability for goods or services is incurred.

Certain types of transactions are reported as program revenues for the city in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Government-Wide Financial Statements, Continued**

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following inter-fund activities have been eliminated:

- Due to, due from other funds
- Transfers in, transfers out
- Internal service fund transactions

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds in the aggregate. An accompanying schedule is included to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide financial statements.

Governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The City’s primary revenue sources, which have been treated as susceptible to accrual by the City, are: property tax, sales tax, hotel tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred and are accrued accordingly.

Deferred inflow of resources arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the revenue is recognized.

The reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Proprietary Fund Financial Statements**

Proprietary Fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

A column representing the City's internal service funds, those funds that support agency wide shared service costs, is also presented in these statements. These internal service balances and activities are combined with the governmental activities in the Government-wide Financial Statements.

Proprietary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability for goods or services is incurred.

Proprietary Funds distinguish operating revenues and expenses and non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services, including sewer charges, solid waste fees, and support charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fiduciary Fund Financial Statements**

The City's Fiduciary Funds are comprised of custodial funds used to account for the operating activities and for the special assessment collections pertaining to the North County Library Authority (NCLA) and Gutter Districts, and Blue Oak Lane Sewer Improvements. Custodial Funds are accounted for on the full accrual basis of accounting.

**Internal Service Fund Financial Statements**

Internal Service Funds account for services provided to other departments pertaining to the employee self-insurance dental program, unemployment insurance, workers' compensation insurance and liability insurance, all of which are funded on a cost reimbursement basis as budget projections and valuations develop.

**C. Major Funds**

Major funds are defined as funds that have either assets, liabilities, 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. The City may also select other funds it believes should be presented as major funds.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Major Funds, Continued**

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

**General Fund** – Accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another funds. The General Fund supports essential City services such as police, fire, street and park maintenance, public works, and community development and recreation activities. The General Fund also includes the Real Property Proceeds Funds, which accounts for the proceeds from sale of real property and the Community Facilities Renewal Fund, which accounts for the revenues and expenditures related to the community facilities renewal efforts.

**In-Lieu Park Land Fund** – Accounts for revenues received in lieu of parkland dedications. The revenues are dedicated for purchasing or improving park or recreational facilities.

**Capital Project Fund** – Accounts for the acquisition and construction of major general government capital projects and plans that are financed by resources other than proprietary funds.

**Los Altos Community Center Lease** – To account for the periodic payment of principal and interest on the community center lease and related authorized costs.

The City reported all of its enterprise funds as major funds in the accompanying financial statements:

**Sewer Fund** – Accounts for the operation (including waste water treatment) of the City’s sewer treatment activities, a self-supporting activity which provides services on a user charge basis.

**Solid Waste Fund** – Accounts for the administration and support of contracted solid waste services, a self-supporting user charge for services activity.

**D. Recognition of Interest Payable**

In the Governmental Fund Financial Statements, interest expenditures on long-term debt are recognized when payment is made. In the Government-wide Financial Statements and Proprietary Fund Financial Statements interest expense is recognized as the liability is incurred.

**E. Use of Restricted and Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

**F. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

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

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Cash, Cash Equivalents and Investments, Continued**

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

The City places liquid assets in a pooled investment account with the goal of enhancing the diversity of its investment holdings. This portfolio complies with state code investment requirements and is subject to a more restrictive City adopted investment policy. Such funds are held independently in City established investment custodial accounts.

For purposes of reporting cash flows, the City considers each fund's share in the cash and investments pool to be cash and cash equivalents including cash with fiscal agents.

**G. Fair Value Hierarchy**

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

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

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

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

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

**H. Inventories**

Inventory, mainly consisting of vehicle fuel and prepaid supplies, is stated at cost on an average cost basis and is controlled by a perpetual inventory system which is adjusted to reflect periodic physical counts. Inventories are recorded as expenditures in the General Fund and charged to departments as consumed.

**I. Restricted Cash**

Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, certificate of participation and have been invested only as permitted by specific State statutes or applicable City ordinance, resolution or bond indenture.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*J. Compensated Absences*

**Government-wide Financial Statements:** For governmental and business-type activities, compensated absences are recorded as expenses and liabilities as the time is earned by employees.

**Fund Financial Statements:** For Governmental Funds, compensated absences are recorded as expenditures in the years paid. The General Fund is typically used to pay out compensated absences that arise in the course of any one year. Unpaid and accumulated liabilities for some compensated absences accrue to future resources. In Proprietary Funds, compensated absences are expensed to the various funds in the period they are earned, and such fund’s share of the unpaid liability is recorded as a long-term liability of the fund.

*K. Property Taxes*

Santa Clara County (County) assesses all properties in the City, and it bills, collects and distributes property taxes to the City. Both secured and unsecured property taxes are levied on January 1. The County assesses properties and it bills, collects and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 for the fiscal year. Secured property tax is due in two installments, on November 1 and February 1, and it becomes delinquent after December 10 and April 10, respectively. The City and the County adopted the “alternative method of property tax distribution” known as the Teeter Plan that authorizes the County to allocate 100% of the secured property tax based on levy instead of collection and to retain all delinquent penalties and interest. Unsecured property tax is due on July 1 and becomes delinquent after August 31. Distribution of the unsecured property taxes is based on collections. Collection of delinquent accounts is the responsibility of the County, which retains all penalties. The County also distributes both penalties and interest collected for delinquent unsecured property taxes.

*L. Capital Asset*

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated acquisition value on the date contributed. City policy has set the capitalization threshold for reporting capital assets at \$5,000 for equipment, \$25,000 for building and facility improvements and \$100,000 for infrastructure.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Type	Useful Life (years)
Buildings	50 years
Improvements	30-50 years
Machinery and Equipment	3-10 years
Infrastructure	30-100 years

In accordance with GASB Statement No. 34, the City has included all infrastructures in its Statement of Net Position.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*L. Capital Asset, Continued*

The City defines infrastructure as basic physical assets that allow the City to function. The assets include the street system. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, streetlights and traffic control devices (signs, signals and pavement markings). These subsystems were not delineated in the Governmentwide Financial Statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City has elected to use the Basic Approach, as defined by GASB Statement No. 34, for infrastructure reporting. The valuation of the City's infrastructure assets are determined based on the original cost using one of the following methods:

1. Use of historical records where available
2. Standard unit costs appropriate for the construction/acquisition date of the asset
3. Present replacement cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date

Accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date, was computed on a straight-line method. The book value was then computed by deducting the accumulated depreciation from the original cost.

*M. Long-Term Debt*

**Government-wide Financial Statements:** Long-term debt and other financial obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

**Fund Financial Statements:** The Governmental Fund Financial Statements do not present long-term debt, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.

Governmental Funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government wide Financial Statements.

*N. Unearned Revenue*

Unearned revenue is recognized for transactions for which revenue has not yet been earned.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***O. Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of financial position or balance sheet reports 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.

***P. Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

***Q. OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

***R. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements***

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2024.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**R. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements, Continued**

**GASB Statement No. 100 - Accounting changes and Error Corrections - an Amendment of GASB Statement No. 62.** The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The City restated its beginning fund balances as part of implementing this standard.

**2. CASH AND INVESTMENTS**

**A. Cash Deposit**

The City’s cash and investments at June 30, 2024 are presented as follows:

Cash and investments	\$ 91,967,552
Restricted cash and investments	173,523
Custodial funds:	
Cash and investments	44,192
Restricted cash and investments	48,250
	<hr/>
Total cash and investments	<u>\$ 92,233,517</u>

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

Cash on hand	\$ 1,504
Deposits with financial institutions	15,244,322
investments:	
Liquid investments	\$ 26,080,248
Managed investments	50,907,443
	<hr/>
Total cash and investments	<u>\$ 92,233,517</u>

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**2. CASH AND INVESTMENTS, Continued**

**B. Authorized Investments**

Under the provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City is authorized to invest or deposit in the following, with the limitations as they relate to interest rate risk, credit risk, and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality*	Maximum % of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund	N/A	N/A	100%	\$75 million
Money Market Mutual Funds	N/A	N/A	20%	10%
Certificates of Deposit	3 years	A	50%	10%
Bankers Acceptances	180 days	N/A	20%	10%
Commercial Paper	270 days	A-1	25%	5%
Repurchase Agreements	180 days	N/A	20%	10%
U.S. Treasury Bills, Notes and Bonds	5 years	N/A	100%	N/A
Supra-National Agency Notes and Bonds	5 years	AA	20%	N/A
U.S. Government-Sponsored Enterprise Agencies	5 years	N/A	100%	20%
Medium-Term Corporate Notes	5 years	A	30%	3%
Asset-backed Securities	5 years	AAA	20%	3%

**C. Interest Risk**

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

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

Investment Type	Total	12 Months or less	13 to 24 Months	25 to 36 Months	37 to 60 Months
Money Market Mutual Fund	\$ 2,925,994	\$ 2,925,994	\$ -	\$ -	\$ -
Government Sponsored Enterprise Agencies:					
Federal National Mortgage Association Notes (FNMA)	385,220	126,533	258,687	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	3,374,907	-	724,647	2,441,974	208,286
U.S. Treasury Notes	21,675,091	3,492,674	10,502,661	7,679,756	-
Certificate of Deposit	2,226,053	377,062	997,875	851,116	-
Supra-National Agency Notes and Bonds	908,032	490,993	417,039	-	-
Medium-Term Corporate Notes	10,837,039	3,635,429	4,634,841	2,566,769	-
Asset-Backed Securities	8,808,211	1,982,358	3,213,251	3,261,015	351,587
Local Agency Investment Funds (LAIF)	4,621,126	4,621,126	-	-	-
California Asset Management Program (CAMP)	21,226,018	21,226,018	-	-	-
<b>Total investments</b>	<b>76,987,691</b>	<b>\$38,878,187</b>	<b>\$20,749,001</b>	<b>\$16,800,630</b>	<b>\$ 559,873</b>
Demand Deposits and Cash on Hand	15,245,826				
<b>Total cash and investments</b>	<b>\$92,233,517</b>				



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**2. CASH AND INVESTMENTS, Continued**

*D. Fair Value Hierarchy*

The City 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.

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

Investments Type	Total	Level 1	Level 2
<b>Government Sponsored Enterprise Agencies:</b>			
Federal National Mortgage Association Notes (FNMA)	\$ 385,220	\$ -	\$ 385,220
Federal Home Loan Mortgage Corporation (FHLMC)	3,374,907	-	3,374,907
U.S. Treasury Notes	21,675,091	-	21,675,091
Supra-National Agency Notes and Bonds	908,032	-	908,032
Medium-Term Corporate Notes	10,837,039	-	10,837,039
Asset-backed Securities	8,808,211	-	8,808,211
<b>Total Investments</b>	<b>45,988,500</b>	<b>\$ -</b>	<b>\$ 45,988,500</b>
<b><i>Investments not subject to leveling disclosure:</i></b>			
Certificates of Deposit	2,226,053		
Money Market Mutual Fund	2,925,994		
California Local Agency Investment Fund (LAIF)	4,621,126		
California Asset Management Program (CAMP)	21,226,018		
Cash in banks and on hand	15,245,826		
<b>Total Cash and investments</b>	<b>\$ 92,233,517</b>		

Investments above classified in Level 1 of the fair value hierarchy are valued using a quoted price in an active market for an identical asset. Investments above classified in Level 2 of the fair value hierarchy are valued using a quoted price in a non-active market for an identical asset. These prices are obtained from various pricing sources by the custodian bank. Certificates of Deposit, Money Market Mutual Fund and LAIF are exempt from being classified under GASB 72.

*E. 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 usually measured by the assignment of a rating by a nationally recognized statistical rating organization.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**2. CASH AND INVESTMENTS, Continued**

*E. Credit Risk, Continued*

At June 30, 2024, the City's deposit and investments were rated as follows:

Investment Type	Credit Quality Ratings		Market Value
	Moody's	S&R	
Asset-backed Securities	Aaa	AAA	\$ 3,026,435
Asset-backed Securities	NA	AAA	3,529,663
Asset-backed Securities	NR	AAA	381,170
Asset-backed Securities	Aaa	NA	1,870,943
Medium-Term Corporate Notes:			
American Express Company	A2	BBB+	371,195
American Honda Finance	A3	A-	379,693
Australia And New Zealand Banking Group Ltd	Aa2	AA-	499,190
Bank of America Corp	A1	A-	391,806
Bank of America	Aa1	A+	279,555
Bank of New York Mellon Corp	A1	A	499,422
Bristol-Myers Squibb Co	A2	A	116,504
Brown-Forman Corp	A1	A-	112,920
Caterpillar Financial Services Corp	A2	A	367,578
Cintas No 2 Corp	A3	A-	171,197
Citigroup Inc	A3	BBB+	196,140
Colgate-Palmolive Co	Aa3	A+	53,874
Comcast Corp	A3	A-	174,376
Comcast Corp	A3	A-	192,387
Commonwealth Bank of Australia (New York Branch)	Aa2	AA-	252,323
Cooperatieve Rabobank Ua (New York Branch)	Aa2	A+	250,238
Exxon Mobil Corp	Aa2	AA-	127,429
Goldman Sachs Group Inc	A2	BBB+	339,684
Hershey Co	A1	A	123,574
Home Depot Inc	A2	A	159,298
Honeywell International Inc	A2	A	167,153
Intel Corp	A3	A-	197,555
International Business Machines Corp	A3	A-	372,048
John Deere Capital Corp	A1	A	370,608
Jpmorgan Chase & Co	A1	A-	223,178

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**2. CASH AND INVESTMENTS, Continued**

*E. Credit Risk, Continued*

Linde Inc	A2	A	418,860
Lockheed Martin Corp	A2	A-	174,405
Morgan Stanley	A1	A-	84,311
Morgan Stanley	A1	A-	284,044
National Rural Utilities Cooperative Finance Corp	A2	A-	267,781
National Rural Utilities Cooperative Finance Corp	A2	A-	123,604
Paccar Financial Corp	A1	A+	370,044
Pepsico Inc	A1	A+	65,057
Pnc Bank Na (Delaware)	A2	A	242,921
Pnc Financial Services Group Inc	A3	A-	109,788
State Street Corp	A1	A	558,188
Toyota Motor Credit Corp	A1	A+	176,337
Toyota Motor Credit Corp	A1	A+	206,207
Truist Financial Corp	Baa1	A-	353,756
Unilever Capital Corp	A1	A+	221,544
Unitedhealth Group Inc	A2	A+	79,892
Walmart Inc	Aa2	AA	148,072
Wells Fargo & Co	A1	BBB+	190,834
Wells Fargo Bank Na	Aa2	A+	372,470
U.S. Treasury Notes	Aaa	AA+	21,675,091
Certificates of Deposit:			
Cooperative Rabobank U.A., New York Branch	Aa2	A+	465,233
Credit Agricole Corporate And Investment Bank	Aa3	A+	377,062
Natixis, New York Branch	A1	A	385,882
Nordea ABP - New York Branch	Aa3	AA-	487,842
Toronto-Dominion Bank - New York Branch	Aa1	AA-	510,033
Supra-National Agency Notes and Bonds	Aa2	A+	243,074
Supra-National Agency Notes and Bonds	Aa2	AA-	664,958
Money Market Funds	Aaa	AAA	2,925,994
Securities of Government Sponsored Enterprise Agencies:			
Federal National Mortgage Association Notes (FNMA)	Aaa	AA+	385,220
Federal Home Loan Mortgage Corporation Notes (FHLMC)	Aaa	AA+	786,630
Federal Home Loan Mortgage Corporation Notes (FHLMC)	Aaa	AA+	2,323,925
Federal Home Loan Mortgage Corporation Notes (FHLMC)	Aaa	AAA	264,352
Subtotal			51,140,547
Not Rated:			
Cash on hand	Not Rated	Not Rated	1,504
Cash in banks	Not Rated	Not Rated	15,244,322
Local Agency Investment Funds (LAIF)	Not Rated	Not Rated	4,621,126
California Asset Management Program (CAMP)	Not Rated	Not Rated	21,226,018
Total Investments			<u>\$ 92,233,517</u>

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**2. CASH AND INVESTMENTS, Continued**

*F. Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

As of June 30, 2024, the City's bank balance was \$15,853,979 and the corresponding carrying book balance was \$15,244,322. Of the bank balance, \$250,000 was covered by federal depository insurance and \$14,947,957 was collateralized.

**Investments:** The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

*G. Investment in State Investment Pool*

The City is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool as reported in the accompanying financial statements is based upon the Entity's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

As of June 30, 2024, the City held \$4,621,126 in LAIF. The LAIF fair value factor of 0.996316042 was used to calculate the fair value of the investments in LAIF and average maturity of 217 days.

**3. INTERFUND ACTIVITIES**

*A. Due To/From Other Funds*

Current year due to/from other fund balances arose in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2024, the City's due to/from other fund balances comprised of the following:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$201,445

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**3. INTERFUND ACTIVITIES, Continued**

**B. Transfers In/Out**

During the year ended June 30, 2024, the City had the following transfers in/out:

	Transfers In					Total
	General Fund	Capital Projects Fund	Los Altos Community Center Lease Fund	Internal Service Fund	Nonmajor Governmental Funds	
Transfers Out						
General Fund	\$ -	\$ 1,403,364	\$ -	\$ 700,000	\$ 500,000	\$2,603,364
In-Lieu Park Land Fund	-	-	622,091	-	165,925	788,016
Capital Projects Fund	-	-	-	500,000	-	500,000
Sewer Fund	-	-	-	-	720,000	720,000
Nonmajor Governmental Funds	340,000	246,779	-	-	-	586,779
<b>Total</b>	<b>\$ 340,000</b>	<b>\$ 1,650,143</b>	<b>\$ 622,091</b>	<b>\$ 1,200,000</b>	<b>\$ 1,385,925</b>	<b>\$5,198,159</b>

Interfund transfers were principally used for the following purposes:

- \$1,403,364 transfer out of the General Fund to capital projects fund was to fund ongoing and new capital improvement projects aimed at infrastructure enhancements, including street rehabilitation, public safety improvements, and facility upgrades.
- \$500,000 transfer from the General Fund to the Non-major Governmental Funds is to fund non-major governmental activities, including traffic impact fees, gas tax allocations, and other restricted-use funds that support public infrastructure and safety initiatives.
- \$622,091 & 165,925 transfer from In Lieu Park Land Fund to Los Altos Community Center Lease Fund and Non-Major Governmental Fund are to support debt service payments for the Community Center and fund eligible park-related capital improvements.
- \$500,000 transfer from Capital Projects Fund to Internal Service Fund is to support the replacement and maintenance of City infrastructure, including fleet vehicles and critical equipment necessary for ongoing operations.
- \$720,000 transfer from the Sewer Fund to the Non-Major Governmental Fund is to support stormwater and wastewater-related projects, fund capital improvements, and cover operating costs associated with environmental compliance and infrastructure maintenance.
- \$340,000 and \$246,779 transfers out of the Nonmajor Governmental Funds to the General Fund and the Capital Projects Fund, respectively, are to reimburse eligible expenditures related to public safety, transportation improvements, and capital infrastructure projects, ensuring proper allocation of restricted funds for their intended purposes.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**4. CAPITAL ASSETS**

**A. Government-wide Financial Statements**

For the year ended June 30, 2024 the City's capital asset consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>			
Nondepreciable capital assets:			
Land	\$ 11,642,285	\$ 348,923	\$ 11,991,208
Construction in progress	20,846,762	-	20,846,762
<b>Total nondepreciable capital assets</b>	<b>32,489,047</b>	<b>348,923</b>	<b>32,837,970</b>
Depreciable capital assets:			
Buildings	23,607,089	15,990,759	39,597,848
Improvements	6,865,435	-	6,865,435
Machinery and Equipment	7,887,074	1,066,804	8,953,878
Infrastructure	87,627,288	12,072,926	99,700,214
<b>Total depreciable capital assets</b>	<b>125,986,886</b>	<b>29,130,489</b>	<b>155,117,375</b>
Less Accumulated depreciation:	(47,746,101)	(13,083,748)	(60,829,849)
<b>Depreciable capital assets, net</b>	<b>78,240,785</b>	<b>16,046,741</b>	<b>94,287,526</b>
<b>Total capital assets</b>	<b>\$ 110,729,832</b>	<b>\$ 16,395,664</b>	<b>\$ 127,125,496</b>

The following is a summary of capital assets for governmental activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Transfers	Retirements & Adjustment	Balance June 30, 2024
<b>Governmental Activities:</b>					
Nondepreciable capital assets:					
Land	\$ 11,642,285	\$ -	\$ -	\$ -	\$ 11,642,285
Construction in progress	19,535,028	1,311,734	-	-	20,846,762
<b>Total nondepreciable capital assets</b>	<b>31,177,313</b>	<b>1,311,734</b>	<b>-</b>	<b>-</b>	<b>32,489,047</b>
Depreciable capital assets:					
Buildings	23,607,089	-	-	-	23,607,089
Improvements	6,537,672	327,763	-	-	6,865,435
Machinery and Equipment	7,166,615	720,459	-	-	7,887,074
Infrastructure	87,527,222	100,066	-	-	87,627,288
<b>Total depreciable capital assets</b>	<b>124,838,598</b>	<b>1,148,288</b>	<b>-</b>	<b>-</b>	<b>125,986,886</b>
Accumulated depreciation:					
Buildings	(14,194,482)	(398,474)	-	-	(14,592,956)
Improvements	(3,107,358)	(159,817)	-	-	(3,267,175)
Machinery and Equipment	(5,640,884)	(303,970)	-	-	(5,944,854)
Infrastructure	(21,100,280)	(2,840,836)	-	-	(23,941,116)
<b>Total accumulated depreciation</b>	<b>(44,043,004)</b>	<b>(3,703,097)</b>	<b>-</b>	<b>-</b>	<b>(47,746,101)</b>
<b>Depreciable capital assets, net</b>	<b>80,795,594</b>	<b>(2,554,809)</b>	<b>-</b>	<b>-</b>	<b>78,240,785</b>
<b>Total capital assets</b>	<b>\$ 111,972,907</b>	<b>\$ (1,243,075)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,729,832</b>



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**4. CAPITAL ASSETS, Continued**

**A. Government-wide Financial Statements, Continued**

The governmental activities depreciation expenses for capital assets for the year ended June 30, 2024 are as follows:

<b>Governmental Activities:</b>	
Public safety	\$ 208,484
Public works	2,752,142
Recreation	543,615
Community development	1,111
Admin / community services	197,745
Total depreciation expense	<u>\$ 3,703,097</u>

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2023	Additions	Transfers	Retirements & Adjustment	Balance June 30, 2024
<b>Business-Type Activities:</b>					
Nondepreciable capital assets:					
Construction in progress	\$ 2,344,704	\$ 86,288	\$ (2,069,378)	\$ (12,691)	\$ 348,923
Total nondepreciable capital assets	2,344,704	86,288	(2,069,378)	(12,691)	348,923
Depreciable capital assets:					
Buildings	15,990,759	-	-	-	15,990,759
Machinery and Equipment	1,066,804	-	-	-	1,066,804
Infrastructure	9,176,112	827,436	2,069,378	-	12,072,926
Total depreciable capital assets	26,233,675	827,436	2,069,378	-	29,130,489
Accumulated depreciation:					
Buildings	(9,129,939)	(158,392)	-	5	(9,288,326)
Machinery and Equipment	(956,240)	(40,074)	-	-	(996,314)
Infrastructure	(2,619,367)	(179,741)	-	-	(2,799,108)
Total accumulated depreciation	(12,705,546)	(378,207)	-	5	(13,083,748)
Depreciable capital assets, net	13,528,129	449,229	2,069,378	5	16,046,741
Business-type Activity capital assets, Net	<u>\$ 15,872,833</u>	<u>\$ 535,517</u>	<u>\$ -</u>	<u>\$ (12,686)</u>	<u>\$ 16,395,664</u>

**B. Fund Financial Statements**

The Governmental Fund Financial Statements do not present capital assets, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.

The capital assets of the Enterprise Funds in the Proprietary Fund Financial Statements are the same as those shown in the business-type activities of the Government-wide Financial Statements.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**5. LONG-TERM LIABILITIES**

**A. Governmental Activities Long-Term Debt**

The City generally incurs long-term debt to finance projects, which will have useful lives equal to or greater than the related debt. The City's long-term debt activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount due within one year
<b>Governmental Activities - Direct Borrowings:</b>					
2004 Certificate of Participation	\$ 610,000	\$ -	\$ (140,000)	\$ 470,000	\$ 150,000
Direct Borrowing-Community Center Lease	8,678,374	-	(423,340)	8,255,034	433,034
	<u>\$ 9,288,374</u>	<u>\$ -</u>	<u>\$ (563,340)</u>	<u>\$ 8,725,034</u>	<u>\$ 583,034</u>

**2004 Refunding Certificate of Participation:** On November 1, 1996, the City issued \$2,630,000 principal amount of Certificates of Participation (ABAG 38 COPs). The purpose of the ABAG 38 COPs was to finance the partial purchase of the 5.5 acre Saint William School site for public purposes and uses. During 2004 the City issued \$2,500,000 of 2004 Refunding Certificates of Participation to advance refund \$2,390,000 of outstanding principal on the ABAG 38 Certificates of Participation, set up reserve funds, and to pay related issuance costs. The entire ABAG 38 Certificates of Participation had been paid off by June 30, 2004. This advance refunding was undertaken to reduce total future debt service payments.

The Certificates of Participation are limited obligations of the City, payable from appropriations budgeted for in the City's annual adopted budget. The Certificate covenants contain events of default that may result in the termination of the lease, collection of rent due and other monetary charges and terminate the City's right to possession of the leased property as applied by the Trustee and specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. There were no such events occurred during the fiscal year ending June 30, 2024.

**Direct Borrowing - Community Center Lease Agreement:** On December 1, 2020, the City entered into Lease Agreements with the Public Property Financing Corporation of California, which subsequently assign the Agreement to Sterling National Bank (Assignee), under which the City leased certain facilities and the land on which the City's Community Center is located, for which the Assignee made a one-time up-front lease payment to the City in the amount of \$10,000,000. Simultaneously, the City will lease back from the Assignee with annual lease payments over a lease term of 19 years, at a fixed interest rate of 2.290% per year. The Sublease is secured by the leased property. The Sublease is repayable in semi-annual payments beginning June 2021 through June 30, 2040. The pledge of repayment is from the General Fund.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**5. LONG-TERM LIABILITIES, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

Annual debt service requirements for the bonds are as follow:

Year Ending June 30,	2004 COP		Community Center Lease		Total
	Principal	Interest	Principal	Interest	
2025	\$ 150,000	\$ 19,975	\$ 433,034	\$ 189,056	\$ 792,065
2026	155,000	13,600	442,951	179,139	790,690
2027	165,000	7,012	453,094	168,995	794,101
2028	-	-	463,470	158,620	622,090
2029	-	-	474,083	148,006	622,089
2030-2034	-	-	2,538,323	572,125	3,110,448
2035-2039	-	-	2,842,582	267,867	3,110,449
2040	-	-	607,497	13,927	628,387
<b>Total</b>	<b>\$ 470,000</b>	<b>\$ 40,587</b>	<b>\$ 8,255,034</b>	<b>\$ 1,697,735</b>	<b>\$ 10,470,320</b>

**B. Non-City Obligations**

The following bonds are not reported in the City's financial statements as they are special obligations payable solely from and secured by specific revenue sources as described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City is pledged for payment of these obligations.

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount due within one year	Amount due more than one year
Blue Oak Lane	\$ 455,000	\$ -	\$ (20,000)	\$ 435,000	\$ 20,000	\$ 415,000
	<u>\$ 455,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 435,000</u>	<u>\$ 20,000</u>	<u>\$ 415,000</u>

**Blue Oak Lane Special Assessment District:** On November 5, 2009, Limited Obligation Improvement Bonds were issued for a newly formed Blue Oak Lane Sewer Assessment District (series 2009) to finance the acquisition and construction, by the City, of sanitary sewer improvements serving properties within the subject assessment District. These bonds are issued upon and secured by individual parcel levied assessments to be included in the annual property tax billings annually. The Bonds mature in 2039, were issued in a principal amount of \$662,880 and are subject to semi-annual debt service payments administered by the City.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**6. COMPENSATED ABSENCES PAYABLE**

The City’s compensated absences payable activity for the year ended June 30, 2024 was as follows:

	Governmental Activities	Business-type Activities	Total
Balance at July 1, 2023	\$ 3,251,593	\$ 282,558	\$ 3,534,151
Additions	3,381,011	300,167	3,681,178
Payments	(1,581,154)	(164,184)	(1,745,338)
Balance at June 30, 2024	<u>\$ 5,051,450</u>	<u>\$ 418,541</u>	<u>\$ 5,469,991</u>
Current Portion	<u>1,414,406</u>	<u>117,191</u>	<u>\$ 1,531,597</u>
Long-Term Portion	<u>\$ 3,637,044</u>	<u>\$ 301,350</u>	<u>\$ 3,938,394</u>

**7. NET POSITION AND FUND BALANCES**

**A. Fund Balances**

In the fund financial statements, governmental funds report the following classifications: nonspendable, restricted, committed, assigned, and unassigned. The City Council, as the highest level of decision making authority for the City, can commit fund balances through the adoption of a formal action in accordance with the adoption of its annual Financial Policy. This formal action includes committing funds through budget adoption or by resolution. This policy authorizes the City Manager to assign fund balances and has set the budgetary level of control at the Fund and Capital Project level for the governing body and the department level for the City Manager and assignees.

**B. General Fund Reserve**

The City Council has established a General Fund Reserve goal level of 20% of annual operating expenditures has set funds aside accordingly through its annual budgetary actions. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 5% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, commodity prices, pension rates) that cause a material change in expenditures of 5% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances of 5% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances. In fiscal year 2020/2021, in line with budget approval, the City reallocated the pre-established State Budget Stabilization reserve into the aforementioned General Fund reserve. This results in the establishment of one Reserve balance to assist in periods of economic downturn or extraordinary need. The City’s reserve goal is at 20% during fiscal year 2023/24 based on total expenses for the year.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**7. NET POSITION AND FUND BALANCES, Continued**

**C. Classifications**

In the Government-wide Financial Statements, net position is classified in the following categories:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted Net Position* – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for government funds are made up of the following:

- *Non-spendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable and land.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- *Assigned Fund Balance* – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance* – conveys the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. General fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported in that fund.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**7. NET POSITION AND FUND BALANCES, Continued**

*D. Policies*

*Order of Use*

The standard also requires governments to disclose the accounting policies that indicate the order in which restricted, committed, assigned and unassigned amounts are spent. The City considers restricted amounts to have been spent first when expenditures are incurred and both restricted and unrestricted fund balances are available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes of which committed, assigned, and unassigned fund balance is available. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

*Assignment and Commitment Authority*

The City Council has approved by resolution a financial policy authorizing the City Manager to assign fund balances to facilitate year-end reporting requirements. The City Council, as the highest level of decision making authority for the City, has the ability to commit fund balances through the adoption by resolution. The same action must be taken to modify or rescind the commitment.

*E. Fund Balances*

Fund balances for all the major and non-major governmental funds as of June 30, 2024 were distributed as follows:

Classifications	General Fund	In Lieu Park Land	Capital Projects	Los Altos Community Center Lease	Other Governmental Fund	Total Governmental
<b>Nonspendable:</b>						
Inventory and Prepaid Items	\$ 60,355	\$ -	\$ -	\$ -	\$ -	\$ 60,355
<b>Total Nonspendable</b>	<b>60,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,355</b>
<b>Restricted:</b>						
Debt Service	-	-	-	2	379,151	379,153
Special revenue programs and projects	-	8,043,049	-	-	5,275,918	13,318,967
<b>Total Restricted</b>	<b>-</b>	<b>8,043,049</b>	<b>-</b>	<b>2</b>	<b>5,655,069</b>	<b>13,698,120</b>
<b>Assigned:</b>						
Emergency and operating	9,613,296	-	-	-	-	9,613,296
Veteran Memorial reserve	8,615	-	-	-	-	8,615
Technology reserve	707,058	-	-	-	-	707,058
Capital and equipment (Note 8):						
Capital and equipment reserve	-	-	-	-	1,063,509	1,063,509
Construction in progress reserve	-	-	10,765,332	-	-	10,765,332
<b>Total Assigned</b>	<b>10,328,969</b>	<b>-</b>	<b>10,765,332</b>	<b>-</b>	<b>1,063,509</b>	<b>22,157,810</b>
<b>Unassigned:</b>	<b>27,806,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(201,445)</b>	<b>27,604,916</b>
<b>Total Unassigned</b>	<b>27,806,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(201,445)</b>	<b>27,604,916</b>
<b>Total Fund Balances</b>	<b>\$ 38,195,685</b>	<b>\$ 8,043,049</b>	<b>\$ 10,765,332</b>	<b>\$ 2</b>	<b>\$ 6,517,133</b>	<b>\$ 63,521,201</b>

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**7. NET POSITION AND FUND BALANCES, Continued**

*F. Net Deficit*

The funds listed in the table below had fund balance deficits at June 30, 2024. These deficits are expected to be eliminated by future revenues.

Fund	Fund Deficit
Vehicle Impound Special Revenue Fund	\$ (45,873)
Traffic Impact Fee Special Revenue Fund	(155,572)

*G. OPEB Reserves*

As of June 30, 2024, \$1,048,384 in General Fund reserves have been assigned in recognition of existing Post-Retirement Health actuarial liability.

*H. Encumbrances*

The City utilized an encumbrance system during fiscal year 2024 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. The General fund had an encumbrance balance at June 30, 2024 of \$66,588, which is reflected in the fiscal year 2024 budget.

*I. Net Investment in Capital Assets*

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

	Governmental Activities	Business-Type Activities	Total
Capital Asset, net of accumulated depreciation	\$ 110,729,832	\$ 16,395,664	\$ 127,125,496
Minus: Capital-related long-term liabilities	(8,725,034)	-	(8,725,034)
Add: Unspent bond proceeds	173,523	-	173,523
Net Investment in Capital Assets	<u>\$ 102,178,321</u>	<u>\$ 16,395,664</u>	<u>\$ 118,573,985</u>

**8. RISK MANAGEMENT**

*A. Bay Cities Joint Powers Insurance Authority*

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and floods for which the City is insured through Bay Cities Joint Powers Insurance Authority (Bay Cities).

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**8. RISK MANAGEMENT, Continued**

**A. Bay Cities Joint Powers Insurance Authority, Continued**

The City has joined Bay Cities for general liability, property, errors and omissions, crimes and automobile physical damage coverage in the current year. Bay Cities is a public agency created in 1986 by and among various municipalities in Northern California to provide a pooled approach to liability insurance pursuant to the California Government Code. It is governed by a Board of Directors comprised of appointed officials from the member entities. The purpose of the pool is to provide various levels of liability coverage, claims administration, and loss control support to member agencies. Annually, each member pays an actuarially determined premium based on a formula which takes into account the prior three years' loss experience, annual payroll, and population.

Bay Cities provides coverage for its Members in excess of the member's retained limit, or selfinsured retention (SIR), up to \$1,000,000 per occurrence. Each Member retains the portion of every loss that falls within their SIR, ranging from \$2,500 to \$1,000,000. Bay Cities is also a member of the California Affiliated Risk Management Authorities (CARMA), a risk sharing joint powers authority. When losses exceed the \$1,000,000 per occurrence limit, CARMA provides coverage up to \$28,000,000.

The City self-insures the first \$100,000 of each liability loss. Once the City's deductible is met, Bay Cities becomes responsible for payment of all claims up to the upper limit. During the year ended June 30, 2024, the City contributed \$6,609 for current year coverage.

The City continues to carry excess insurance policy for Workers' Compensation claims through the CSAC Excess Insurance Authority JPA up to the statutory limits and does so using the services of a contracted third-party administrator. The City has a \$250,000 deductible as of June 30, 2024. During the year, the City contributed \$1,166,556 for current year coverage.

As of June 30, 2024, \$103,000 of revolving funds was held in trust on behalf of the City by the workers' compensation third-party claims administrator. \$10,000 is also being held by Bay Cities in the procurement of liability and claims coverage. The City will receive these funds upon termination of services subject to final withdrawal adjustments.

The Bay Cities financial statements may be obtained from Bay Cities Joint Powers Insurance Authority, Bickmore, 1750 Creekside Oaks Drive Suite 200, Sacramento, CA 95833. CSAC Excess Insurance Authority financial statements may be obtained from CSAC Excess Insurance Authority, 75 Iron Point Circle Suite 200, Folsom, CA 95630.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**8. RISK MANAGEMENT, Continued**

**B. Liability for Uninsured Claims**

The GASB requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed in the section above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion, of these claims. The current accounting standards require that this amount be separately identified and recorded as a liability. Changes in the balances of claims liabilities during the past three years were as follows:

	June 30,		
	2024	2023	2022
Unpaid claims, beginning of year	\$ 4,233,761	\$ 5,400,302	\$ 4,221,000
Incurred claims and changes in estimates	667,639	(715,812)	1,282,326
Claim payments	(490,537)	(450,729)	(103,024)
Unpaid claims, end of year	<u>\$ 4,410,863</u>	<u>\$ 4,233,761</u>	<u>\$ 5,400,302</u>
Current Portion	<u>\$ 1,107,082</u>	<u>\$ 1,056,753</u>	<u>\$ 1,118,735</u>
Long-Term Portion	<u>\$ 3,303,781</u>	<u>\$ 3,177,008</u>	<u>\$ 4,281,567</u>

In conformance with current accounting standards the City obtained an independent actuarial valuation of all outstanding Workers Compensation and Liability claims. Both the Workers Compensation report and the General Liability report presented a valuation as of December 31, 2023 and projected values through fiscal years 2024 and 2025. The fiscal year 2023-2024 values presented above reflect the estimated present value of open claims as developed in this actuarial report, and those values do not represent the pending claims.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**9. SELF-FUNDED REIMBURSEMENT DENTAL AND VISION PLAN**

The City provides a self-funded reimbursement based dental and vision plans. The City’s contribution for these plans are accounted for in the Dental Reimbursement Fund. The City contributed \$75 per month for each fulltime budgeted position. The funds accumulated are used to reimburse full-time salaried employees and their dependents, as well as council members for covered dental and vision claims. There are no administrative charges for this plan. Contributions and reimbursements for the past five fiscal years as follows:

Year Ending June 30,	Contribution Amount	Reimbursement Amount
2020	\$ 258,874	\$ 253,377
2021	264,121	308,786
2022	340,693	340,693
2023	406,905	406,905
2024	489,602	386,311
Total	<u>\$ 1,760,195</u>	<u>\$ 1,696,072</u>

The dental and vision plan year commences January 1st of each calendar year. An annual maximum dental and vision reimbursements of \$2,176 are provided for each employee and \$1,449 for each of their dependents. Any remaining balance in the fund for each plan year is carried forward to the following year. In subsequent years, the maximum coverage for both employees and dependents is increased annually based on the Consumer Price Index but not to exceed 3%.

**10. PENSION PLAN**

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

**A. General Information about the Pension Plan**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous and Safety Tier I, Tier II and PEPRA Employee Pension Rate Plan. The City’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three miscellaneous and three safety rate plans. Benefit provisions under the Plan are established by State statute and City 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.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**10. PENSION PLAN, Continued**

*A. General Information about the 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 Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Miscellaneous -Tier 1</u>
Hire date	Prior to 1/1/2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	50-67
Monthly benefits, as a % of annual salary	2% to 2.7%
Required employee contribution rate	8.00%
Required employer contribution rate *	15.95%
	<u>Miscellaneous -Tier 2</u>
Hire date	1/1/2012 - 12/31/2012
Benefit formula	2% @ 60
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	50-67
Monthly benefits, as a % of annual salary	1.092% - 2.418%
Required employee contribution rate	7.00%
Required employer contribution rate *	10.10%
	<u>Miscellaneous -PEPRA</u>
Hire date	On or after January 1, 2013
Benefit formula	2% @ 62
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	52-67
Monthly benefits, as a % of annual salary	1.000% - 2.500%
Required employee contribution rate	6.75%
Required employer contribution rate *	7.68%

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**10. PENSION PLAN, Continued**

*A. General Information about the Pension Plan, Continued*

	<u>Safety - Tiers 1 and 2</u>
Hire date	Prior to 1/1/2012
Benefit formula	3% @ 50
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	50-55
Monthly benefits, as a % of annual salary	3.00%
Required employee contribution rate	9.00%
Required employer contribution rate *	27.11%
	<u>Safety - Tier 3</u>
Hire date	1/1/2012 - 12/31/2012
Benefit formula	3% @ 55
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	50-55
Monthly benefits, as a % of annual salary	2.400% - 3.000%
Required employee contribution rate	9.00%
Required employer contribution rate *	22.83%
	<u>Safety - PEPRA</u>
Hire date	On or after January 1, 2013
Benefit formula	2.7% @ 57
Benefit vesting schedule	5 years service
Benefit Payments	monthly for life
Retirement age	50 - 57
Monthly benefits, as a % of annual salary	2.000% - 2.700%
Required employee contribution rate	13.00%
Required employer contribution rate *	13.54%

Beginning in fiscal year 2018, 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 dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability and side fund was \$3,196,970 in fiscal year 2024.

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

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**10. PENSION PLAN, Continued**

**A. General Information about the Pension Plan, Continued**

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contribution - employer	\$ 3,025,428	\$ 2,342,958	\$ 5,368,386

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Cost Sharing Plan</u>
Proportionate Share of Net Pension Liability	\$ 47,476,004

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. 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. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Cost Sharing Plan</u>
Proportion - June 30, 2022	0.38348%
Proportion - June 30, 2023	0.38056%
Change-Increase (Decrease)	<u>-0.00292%</u>

For the year ended June 30, 2024, the City recognized pension expense of \$6,348,621. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made subsequent to the measurement date	\$ 5,368,386	\$ -
Differences between actual and expected experience	2,906,473	(340,912)
Changes of assumptions	2,822,969	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(3,904,622)
	202,763	(151,894)
Net differences between projected and actual earnings on plan investments	7,146,916	-
Total	<u>\$ 18,447,507</u>	<u>\$ (4,397,428)</u>

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**10. PENSION PLAN, Continued**

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

\$5,368,386 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Cost Sharing Plan
2025	\$ 1,717,232
2026	1,203,960
2027	5,557,731
2028	202,770
	\$ 8,681,693

Actuarial Assumptions – For the measurement period ended June 30, 2023, the total pension liability was determined using the actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using the standard update procedures. The total pension liability in the June 30, 2022 actuarial valuations were determined using the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	(1)
Investment Rate of Return	6.9% (2)
Mortality	Derived using CalPERS' membership data for all funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

(1) Depending on age, service and type of employment

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

(3) The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the CalPERS November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**10. PENSION PLAN, Continued**

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

*Discount Rate* - The discount rate used to measure the total pension liability as of the measurement date of June 30, 2023 for the Plan was 6.9%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and the 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.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset class <sup>1</sup>	Assumed asset allocation	Real return <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

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

(2) Figures are based on the 2021-22 Asset Liability Management study.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**10. PENSION PLAN, Continued**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued**

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

	<u>Cost Sharing Plan</u>
Discount Rate 1% Decrease	5.90%
Net Pension Liability	\$ 71,199,664
Current Discount Rate	6.90%
Net Pension Liability	\$ 47,476,004
Discount Rate 1% Increase	7.90%
Net Pension Liability	\$ 28,007,822

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

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan**

*Plan Description* – The City’s defined benefit post-employment healthcare plan (OPEB Plan) is an agent multiple-employer plan that provides medical benefits to eligible retired City employees.

*Benefits Provided* – The following is a summary of the OPEB Plan benefits by employee group as of June 30, 2024:

	All Bargaining Units						
<b>Eligibility</b>	Retire directly from the City under CalPERS (age 50 and 5 years of service or disability)						
<b>Benefit</b>	- 5% of active contribution times years in PEMHCA (increase each year not greater than \$100 per month) - Joined PEMHCA in 2001 - 100% of PEMHCA minimum in 2022 - Monthly amounts: <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;"><u>Year</u></td> <td style="text-align: center;"><u>Actives</u></td> <td style="text-align: center;"><u>Retirees</u></td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">\$139</td> <td style="text-align: center;">\$157</td> </tr> </table>	<u>Year</u>	<u>Actives</u>	<u>Retirees</u>	2023	\$139	\$157
<u>Year</u>	<u>Actives</u>	<u>Retirees</u>					
2023	\$139	\$157					
<b>Surviving Spouse Benefit</b>	Surviving spouse coverage continues based on CalPERS retirement plan election						
<b>Other</b>	- No dental, vision & life or Medicare reimbursement - Implicit rate subsidy included						

For the year ended June 30, 2024, the City’s contribution to the OPEB Plan was \$164,439



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

**A. General Information about the City's Other Post Employment Benefit (OPEB) Plan, Continued**

*Employees Covered by Benefit Terms* – Membership in the OPEB Plan consisted of the following at June 30, 2023, the measurement date:

Active employees	142
Inactive employees or beneficiaries currently receiving benefit payments	50
Inactive employees entitled to but not yet receiving benefit payments	98
Total	290

**B. Net OPEB Liability**

*Actuarial Methods and Assumptions* – The City'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 Assumptions	June 30, 2023 Measurement Date
Valuation Date	January 1, 2023
Actuarial Cost Method	• Entry Age Normal, Level Percentage of Payroll
Contribution Policy	• City contributes full Actuarial Determined Contribution through CERBT #1
Discount Rate and Long Term Expected Rate of Return on Assets	• 6.25% at June 30, 2023
	• 6.25% at June 30, 2022
	• Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	• 2.50% annually
Termination	• CalPERS 2000-2019 Experience Study
Mortality Improvement	• Mortality Improvement Scale MP-2021
Salary Increases	• Aggregate - 2.75% annually • Merit - CalPERS 2000-2019 Experience Study
Medical Trend	• Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years • Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.75% in 2076 and later years • Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.75% in 2076 and later years
PEMHCA Minimum Increases	• 3.50% annually
Healthcare participation	• 60%

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

**B. Net OPEB Liability, Continued**

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
Global equity	49%	4.56%
Fixed income	23%	1.56%
Treasury Inflation Protected Securities (TIPS)	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Total	100%	

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in the Net OPEB Liability**

The changes in the net OPEB liability during the measurement period were as follow:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2022	\$ 3,585,401	\$ 3,510,138	\$ 75,263
Changes Recognized for the Measurement Period:			
Service cost	193,160	-	193,160
Interest on the total OPEB liability	232,221	-	232,221
Administrative expenses	-	(2,398)	2,398
Changes in benefit terms	-	-	-
Contributions from the employer	-	127,466	(127,466)
Net investment income	-	225,479	(225,479)
Differences between expected and actual experience	645,945	-	645,945
Changes in assumptions	(64,903)	-	(64,903)
Benefit payments	(126,088)	(126,088)	-
Net changes	880,335	224,459	655,876
Balance at June 30, 2023 (Measurement Date)	\$ 4,465,736	\$ 3,734,597	\$ 731,139

During fiscal year 23-24, the City paid \$164,439 for retiree healthcare plan benefits, including \$90,024 in premium payments for retirees, \$73,000 for implied subsidies, and \$1,415 for administrative costs. The plan does not issue separate financial statements.



**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

*D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare*

*Cost Trend Rates*

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

Net OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
5.25%	6.25%	7.25%
\$ 1,343,345	\$ 731,139	\$ 228,547

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

The healthcare cost trend are as follows:

- Non-Medicare: 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years.
- Medicare (Non-Kaiser): 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years.
- Medicare (Kaiser): 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years.

Net OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 155,145	\$ 731,139	\$ 1,443,838

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

*E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended June 30, 2024, the City recognized OPEB expense of \$224,025.

At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 164,439	\$ -
Differences between projected and actual earnings on plan investments	265,712	-
Changes of assumptions	44,011	59,966
Differences between expected and actual experience	565,202	568,419
Total	<u>\$ 1,039,364</u>	<u>\$ 628,385</u>

\$164,439 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.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2025	\$ 13,427
2026	1,115
2027	104,233
2028	(5,516)
2029	(4,289)
Thereafter	<u>137,570</u>
Total	<u>\$ 246,540</u>

**12. LEASES**

*A. Policies*

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivable or liabilities with an initial, individual value of \$300,000 or more for all funds, based on the future lease payments remaining at the start of the lease.

**Lessor**

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

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**12. LEASES, Continued**

**A. Policies, Continued**

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

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

- The City uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

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

**Lessee**

The City is a lessee for miscellaneous leases. If the lease is over the threshold, the City will recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

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

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**12. LEASES, Continued**

*A. Policies, Continued*

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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

**13. CONTINGENCIES**

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases in the aggregate, although they could potentially result in a material adverse financial impact on the City, a reasonable estimate of the outcome and impacts could not be made at the financial statement issuance date.

The City participates in several Federal and State grant programs. These programs are subject to the audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. In addition, these programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**14. OTHER INFORMATION**

*A. Joint Powers Agreements*

The City participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of the City.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence of member agencies beyond their representation of the board.

**City of Palo Alto Regional Water Quality Control Plant:** The City has an agreement with the City of Palo Alto to purchase treatment capacity at the Palo Alto Regional Water Quality Control Plant. It was formed in 1968 by a joint exercise of powers among the cities of Palo Alto, Mountain View, and Los Altos, constructed, maintains and operates sewage treatment facilities serving its member cities. The agreement provides that the City will purchase capacity for 50 years. The City of Palo Alto acts as administrator and bills each member its share of the operating costs. The audited financial statements can be obtained by contacting the City of Palo Alto at P.O. Box 10250, Palo Alto, CA 94303.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**14. OTHER INFORMATION, Continued**

**A. Joint Powers Agreements, Continued**

**North County Library Authority (NCLA):** The NCLA, formed in 1985 by a joint exercise of powers agreement between the City and the Town of Los Altos Hills, provides library services for member residents. The NCLA was created to provide financing for capital improvements and additional services by the public libraries serving the area. Although the City owns the libraries and their sites, the County of Santa Clara (County) is responsible for all library operations. However, since 1985, the NCLA has levied a voter approved special parcel tax to compensate for service reductions due to cutbacks by the County. The special tax has been collected by the County, transferred to the City, on behalf of NCLA, and then transferred back to the County for the specifically requested services provided by the libraries within the NCLA's service area. The City performs administrative and accounting services for NCLA. In 1991, the NCLA issued Special Tax Bonds in the amount of \$3,645,000. The Special Tax Bonds were repaid off as of June 30, 2012. In 2010, NCLA successfully passed an updated twenty year parcel tax extending the assessment term to 2030. No new debt was issued in association with this election. The audited financial statements can be obtained by contacting the NCLA at One North San Antonio Road, Los Altos, CA, 94022.

**Community Health Awareness Council (CHAC):** CHAC was organized as a joint powers agency between the City of Los Altos, City of Mountain View, Town of Los Altos Hills, Los Altos School District, Mountain View Whisman School District, and Mountain View-Los Altos High School District. CHAC provides prevention and intervention services concentrating on positive alternatives to health abuse and self-destructive behaviors within the communities served. The audited financial statements can be obtained by contacting CHAC at P.O. Box 335, Mountain View, CA, 94042.

**Silicon Valley Clean Energy Authority:** The Silicon Valley Clean Energy Authority (SVCEA) was established in 2016 by 12 agencies in Santa Clara County including the City of Los Altos. The purpose of SVCEA is to enable the member agencies to pool the electricity demand within their jurisdictions to directly procure or generate electrical power supplies on behalf of the residents and businesses in their communities, thus allowing those agencies to provide a clean energy option for residents at a competitive price with traditional energy sources. As part of the implementation of SVCEA, the City of Los Altos paid \$100,000 for its portion of the start-up costs. These funds are to be reimbursed to the City once the Authority has achieved financial sustainability.

**City of Los Altos**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**15. OTHER COMMITMENTS**

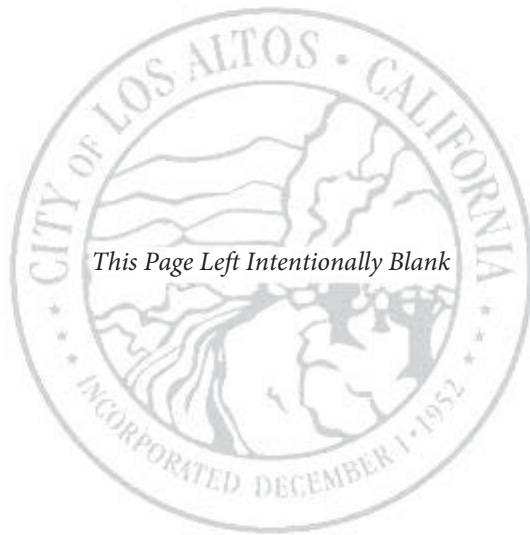
A summary of remaining authorized CIP project balances at June 30, 2024 for all City funds by service area are as follows:

<u>Project No.</u>	<u>Project Name</u>	<u>Outstanding Commitment</u>
CF01003	Annual Civic Facilities Improvement	\$ 20,958
CF01021	Emergency Operations Center	1,454,815
CF01030	Drainage and Drinking Fountain	7
CF01032	Hillview Dog Park	2,843
CF01034	Grant Park Facility Elec/HVAC	5,722
CF01036	New Financial System	21,750
CF01044	City Hall Expansion into LAYC	<u>1,887,327</u>
Total	Total	<u>\$ 3,393,422</u>

---

**REQUIRED  
SUPPLEMENTARY INFORMATION**

---



*This Page Left Intentionally Blank*



**City of Los Altos**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2024**

---

**COST-SHARING EMPLOYER DEFINED PENSION PLAN:**

*Schedule of Proportionate Share of the Net Pension Liability and Related Ratio*

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

*Schedule of Contributions*

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

**City of Los Altos**  
**Required Supplementary Information**  
**For the year ended June 30, 2024**

*Cost-Sharing Multiple-Employer Defined Pension Plan*  
*Schedule of the Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years*

<u>Fiscal Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Plan's proportion of the net pension liability (Asset)	0.33467%	0.35723%	0.36321%	0.36487%
Plan's proportionate share of the net pension liability (Asset)	\$ 19,616,380	\$ 24,519,671	\$ 31,428,897	\$ 36,185,071
Plan's covered payroll	\$ 11,343,934	\$ 11,452,614	\$ 12,319,737	\$ 12,023,939
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	79.82%	214.10%	255.11%	300.94%
Fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%

**Notes to Schedule:**

The CalPERS discount rate was 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.

---



---

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<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>
0.37506%	0.38190%	0.38941%	0.78341%	0.38348%	0.38056%
\$ 36,142,132	\$ 39,132,989	\$ 42,369,117	\$ 27,641,351	\$ 44,295,062	\$ 47,476,004
\$ 13,968,233	\$ 13,890,298	\$ 14,321,206	\$ 15,476,410	\$ 15,681,551	\$ 16,258,354
258.75%	281.73%	295.85%	178.60%	282.47%	292.01%
75.26%	75.26%	75.10%	88.29%	76.68%	76.21%

**City of Los Altos**  
**Required Supplementary Information**  
**For the year ended June 30, 2024**

*Cost-Sharing Multiple-Employer Defined Pension Plan*  
*Schedule of Pension Plan Contributions - Last 10 Fiscal Years*

<b>Fiscal Year Ended</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially determined contribution	\$ 2,006,277	\$ 2,590,752	\$ 9,882,141	\$ 3,160,073
Contributions in relation to actuarially deemed contributions	(2,006,277)	(2,590,752)	(9,882,141)	(3,160,073)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,452,614	\$ 12,319,737	\$ 12,023,939	\$ 13,968,233
Contributions as a percentage of covered payroll	17.52%	21.03%	82.19%	22.62%
<b>Notes to Schedule</b>				
<b>Valuation date:</b>	6/30/2012	6/30/2013	6/30/2014	6/30/2015

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.30%
Salary increases	Depending on age, service, and type of employment
Investment rate of return	6.80%
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

---



---

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$	3,580,122	\$ 4,318,698	\$ 4,789,774	\$ 7,247,286	\$ 5,282,099	\$ 5,368,386
	(3,580,122)	(4,318,698)	(4,789,774)	(7,247,286)	(5,282,099)	(5,368,386)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	13,890,298	\$ 14,321,206	\$ 15,476,410	\$ 15,681,551	\$ 16,258,354	\$ 17,499,268
	25.77%	30.16%	30.95%	46.22%	32.49%	30.68%
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

**City of Los Altos**  
**Required Supplementary Information**  
**For the year ended June 30, 2024**

*Retiree Healthcare OPEB Plan - Agent Multiple Employer*  
*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years\**

<b>Measurement Date</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2020</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 154,000	\$ 158,000	\$ 162,743	\$ 195,973
Interest	207,000	223,000	238,629	231,856
Differences between expected and actual experience	-	-	(524,133)	-
Assumption changes	-	-	128,646	-
Benefit payments	(134,000)	(142,000)	(161,000)	(117,894)
Net change in the total OPEB liability	227,000	239,000	(155,115)	309,935
Total OPEB liability - beginning	2,987,000	3,214,000	3,453,000	3,297,885
Total OPEB liability - ending (a)	3,214,000	3,453,000	3,297,885	3,607,820
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	135,000	143,000	162,000	118,972
Net investment income	160,000	134,000	110,961	67,723
Administrative expense	(2,000)	(4,000)	(1,387)	(2,014)
Benefit payments	(134,000)	(142,000)	(161,000)	(117,894)
Net change in plan fiduciary net position	159,000	131,000	110,574	66,787
Plan fiduciary net position - beginning	1,515,000	1,674,000	1,805,000	1,915,574
Plan fiduciary net position - ending (b)	1,674,000	1,805,000	1,915,574	1,982,361
Net OPEB liability/asset - ending (a) - (b)	\$ 1,540,000	\$ 1,648,000	\$ 1,382,311	\$ 1,625,459
Plan fiduciary net position as a percentage of the total OPEB liability	52.1%	52.3%	58.1%	54.9%
Covered-employee payroll	\$ 12,546,000	\$ 14,000,000	\$ 15,000,000	\$ 15,000,000
Net OPEB liability as a percentage of covered-employee payroll	12.27%	11.77%	9.22%	10.84%

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

<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
\$ 201,852	\$ 187,991	\$ 193,160
252,731	214,597	232,221
(617,999)	-	645,945
(5,045)	-	(64,903)
<u>(131,033)</u>	<u>(125,513)</u>	<u>(126,088)</u>
(299,494)	277,075	880,335
<u>3,607,820</u>	<u>3,308,326</u>	<u>3,585,401</u>
<u>3,308,326</u>	<u>3,585,401</u>	<u>4,465,736</u>
132,024	1,626,491	127,466
545,286	(515,999)	225,479
(1,742)	(1,737)	(2,398)
<u>(131,033)</u>	<u>(125,513)</u>	<u>(126,088)</u>
544,535	983,242	224,459
<u>1,982,361</u>	<u>2,526,896</u>	<u>3,510,138</u>
<u>2,526,896</u>	<u>3,510,138</u>	<u>3,734,597</u>
<u>\$ 781,430</u>	<u>\$ 75,263</u>	<u>\$ 731,139</u>
76.4%	97.9%	83.6%
<u>\$ 15,366,121</u>	<u>\$ 16,416,717</u>	<u>\$ 17,681,206</u>
<u>5.09%</u>	<u>0.46%</u>	<u>4.14%</u>

**City of Los Altos**  
**Required Supplementary Information**  
**For the year ended June 30, 2024**

*Retiree Healthcare OPEB Plan - Agent Multiple Employer*  
*Schedule of OPEB Contributions - Last 10 Fiscal Years\**

Fiscal Year Ended June 30,	2018	2019	2020	2021
Actuarially determined contribution	\$ 304,000	\$ 333,000	\$ 333,000	\$ 316,000
Contributions in relation to the actuarially determined contribution	143,000	314,000	118,972	132,024
Contribution deficiency (excess)	\$ 161,000	\$ 19,000	\$ 214,028	\$ 183,976
Covered employee payroll	\$ 14,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,366,121
Contributions as a percentage of covered employee payroll	1.0%	2.1%	0.8%	0.9%

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

**Notes to Schedule**

Valuation Date	• January 1, 2023
Actuarial cost method	• Entry Age Normal, Level Percentage of Payroll
Amortization method	• Level percent of pay
Amortization period	• 10-year average fixed period for 2023/24
Asset valuation method	• Investment gains and losses spread over 5-year rolling period
Discount Rate	• 6.25%
Inflation	• 2.50%
Medical Trend	• Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years • Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years • Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years
Mortality, Retirement, Disability, Termination	• CalPERS 2000-2019 Experience Study
Mortality Improvement	• Mortality Improvement Scale MP-2021
PEMHCA Minimum Increases	• 3.5% annually
Healthcare participation	• 60%



---

2022	2023	2024
\$ 316,000	\$ 174,000	\$ 241,000
1,626,491	127,466	164,439
<u>\$ (1,310,491)</u>	<u>\$ 46,534</u>	<u>\$ 76,561</u>
\$ 16,416,717	\$ 17,681,206	\$ 19,956,557
9.9%	0.7%	0.82%

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### General Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$ 32,460,344	\$ 32,460,344	\$ 34,410,697	\$ 1,950,353
Sales tax	3,642,770	3,642,770	3,442,623	(200,147)
Utility users	2,770,650	2,770,650	3,517,438	746,788
Other tax	3,476,309	3,476,309	4,323,620	847,311
Licenses, permits and fees	4,627,484	4,627,484	5,440,479	812,995
Grants and donations	-	-	806,765	806,765
Charges for services	6,182,357	6,182,357	4,803,649	(1,378,708)
Fines and forfeitures	147,100	147,100	322,309	175,209
Interest and rentals	308,455	308,455	2,463,994	2,155,539
Other	340,684	340,684	113,934	(226,750)
<b>Total revenues</b>	<b>53,956,153</b>	<b>53,956,153</b>	<b>59,645,508</b>	<b>5,689,355</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	23,539,466	23,539,466	22,062,151	1,477,315
Public works	6,411,542	6,411,542	5,489,877	921,665
Recreation	3,387,853	3,387,853	3,146,274	241,579
Community development	7,986,274	7,986,274	7,142,479	843,795
Admin / community development	10,602,483	10,602,483	9,985,875	616,608
Utility and sustainability	435,697	435,697	239,859	195,838
Capital improvements	-	-	(34)	34
<b>Total expenditures</b>	<b>52,363,315</b>	<b>52,363,315</b>	<b>48,066,481</b>	<b>4,296,834</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>1,592,838</b>	<b>1,592,838</b>	<b>11,579,027</b>	<b>9,986,189</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,455,308	4,455,308	340,000	(4,115,308)
Transfers out	(6,025,308)	(6,025,308)	(2,603,364)	3,421,944
<b>Total other financing sources (uses)</b>	<b>(1,570,000)</b>	<b>(1,570,000)</b>	<b>(2,263,364)</b>	<b>(693,364)</b>
<b>Net change in fund balances</b>	<b>\$ 22,838</b>	<b>\$ 22,838</b>	<b>9,315,663</b>	<b>\$ 9,292,825</b>
<b>FUND BALANCES:</b>				
Beginning of year			28,880,022	
End of year			\$ 38,195,685	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### In-Lieu Park Land

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 505,200	\$ (694,800)
Interest and rentals	-	-	405,057	405,057
<b>Total revenues</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>910,257</b>	<b>(289,743)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(4,377,065)	(4,377,065)	(788,016)	3,589,049
<b>Total other financing sources (uses)</b>	<b>(4,377,065)</b>	<b>(4,377,065)</b>	<b>(788,016)</b>	<b>3,589,049</b>
<b>Net change in fund balances</b>	<b>\$ (3,177,065)</b>	<b>\$ (3,177,065)</b>	<b>122,241</b>	<b>\$ 3,299,306</b>
<b>FUND BALANCES:</b>				
Beginning of year			7,920,808	
End of year			<u>\$ 8,043,049</u>	

**City of Los Altos**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2024**

---

**BUDGET AND BUDGETARY ACCOUNTING**

The City adopts a budget annually for General Fund, Special Revenue Funds, (**except for the Storm Drain Deposits Fund**), and Equipment Replacement Capital Projects Fund that is effective July 1 for the ensuing fiscal year.

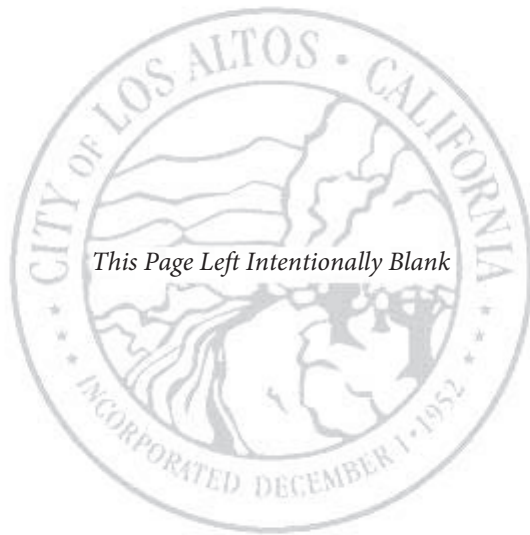
From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager is authorized to transfer budgeted amount between departments and line items within any fund to achieve a balanced budget; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year-end unless otherwise authorized by the City Council and the City Manager, except for capital improvement projects and open purchase order commitments for which appropriations endure until the project or obligation is completed.

Budgets are adopted on a basis consistent with generally accepted accounting principles except for capital projects funds, which are adopted on a project length basis, which means budgets are used until the project's completion for the entire project amount.

---

# SUPPLEMENTARY INFORMATION

---



*This Page Left Intentionally Blank*

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Capital Projects

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and donations	\$ 739,000	\$ 739,000	\$ 529,369	\$ (209,631)
<b>Total revenues</b>	<b>739,000</b>	<b>739,000</b>	<b>529,369</b>	<b>(209,631)</b>
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	471,200	471,200	468,643	2,557
Capital improvements	20,869,494	20,869,494	2,344,783	18,524,711
Debt service:				
Interest and fiscal charges	-	-	50	(50)
<b>Total expenditures</b>	<b>21,340,694</b>	<b>21,340,694</b>	<b>2,813,476</b>	<b>18,527,218</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(20,601,694)</b>	<b>(20,601,694)</b>	<b>(2,284,107)</b>	<b>18,317,587</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,562,000	8,562,000	1,650,143	(6,911,857)
Transfers out	-	-	(500,000)	(500,000)
<b>Total other financing sources (uses)</b>	<b>8,562,000</b>	<b>8,562,000</b>	<b>1,150,143</b>	<b>(7,411,857)</b>
<b>Net change in fund balances</b>	<b>\$ (12,039,694)</b>	<b>\$ (12,039,694)</b>	<b>(1,133,964)</b>	<b>\$ 10,905,730</b>
<b>FUND BALANCES:</b>				
Beginning of year			11,899,296	
End of year			<u>\$ 10,765,332</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Los Altos Community Center Lease

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	423,340	423,340	423,340	-
Interest and fiscal charges	198,751	198,751	198,750	1
<b>Total expenditures</b>	<b>622,091</b>	<b>622,091</b>	<b>622,090</b>	<b>1</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(622,091)</b>	<b>(622,091)</b>	<b>(622,090)</b>	<b>1</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	622,090	622,090	622,091	1
<b>Total other financing sources (uses)</b>	<b>622,090</b>	<b>622,090</b>	<b>622,091</b>	<b>1</b>
<b>Net change in fund balances</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>1</b>	<b>\$ 2</b>
<b>FUND BALANCES:</b>				
Beginning of year, as previously presented			-	
Prior period adjustments			1	
Beginning of year, as restated			1	
End of year			<u>\$ 2</u>	



**City of Los Altos**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

**Special Revenue Funds**

**Vehicle Impound Fund**

To account for revenues collected from arrest and towing fees that are dedicated for public safety purposes.

**Supplemental Law Enforcement Fund**

To account for revenues from the Citizen's Option for Public Safety Program in support of additional frontline law enforcement services.

**Gas Tax Funds**

To account for the revenues received from the State gas taxes under the provision of the Streets and Highways Codes. These revenues are restricted to uses related to construction and improvements, an maintenance and repair of local streets.

**Proposition 1b Fund**

To account for the allocated bond fund amount from the State under the Proposition 1B provisions.

**Storm Drain Deposits Fund**

To account for fees collected from new subdivision development. All funds are restricted to construction and improvement of the storm drain system.

**Downtown Parking Fund**

To account for revenues received from the lease of the public parking plazas and in-lieu program fees. The revenues are dedicated for the construction and improvement of downtown parking facilities.

**Traffic Impact Fee Fund**

To account for revenues received from development. The revenues are dedicated for transportation improvements within the City.

**Estate Donation Fund**

To account for donations received that are dedicated for purposes specified by the donors.

**TDA Fund**

To account for State Transportation Development Act, Article 3 funds for bike route and pedestrian facilities improvements.

**PEG Fund**

To account for fees collected by local Cable Television franchise. All funds are restricted for public education and government access programming.

**City of Los Altos**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**  
**(Continued)**

**Special Revenue Funds, *Continued***

**Vehicle Registration Fees Fund**

To account for fees collected by the Department of Motor Vehicles from registrations in Santa Clara County. All funds are restricted to street projects.

**SB 1 Road Maintenance Rehabilitation Fund**

To account for revenues received from the State Streets and Highways Codes. These revenues are restricted to address deferred maintenance on the State Highway System and the local street and road system.

**Public Art Fund**

To account for fees collected from private development projects. The fund is restricted to public art acquisition, placement, and maintenance.

**AB-1379 Fund**

To account for fees collected through Business License. Under the AB1379, the local jurisdiction allows to remain 90% of the AB1379 fees for Certified Access Specialist (CASP) certification and training. Restricted by State Statute

**Capital Projects Fund**

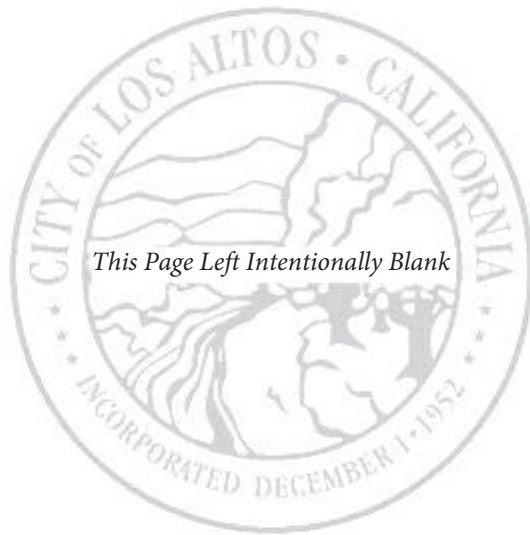
**Equipment Replacement Fund**

To account for the revenues and expenditures related to the replacement of certain City equipment and vehicles.

**Debt Service Fund**

**General Debt Service**

To account for the accumulation of revenues for periodic payment of principal and interest on Certificates of Participation and related authorized costs.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	Vehicle Impound	Supplemental Law Enforcement	Gas Tax	Proposition 1B
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 118,722	\$ 953,362	\$ -
Restricted cash and investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 118,722</b>	<b>\$ 953,362</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	45,873	-	-	-
Unearned Revenue	-	-	-	-
<b>Total liabilities</b>	<b>45,873</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted:				
Debt service				
Special revenue programs and projects	-	118,722	953,362	-
Assigned	-	-	-	-
Unassigned	(45,873)	-	-	-
<b>Total fund balances</b>	<b>(45,873)</b>	<b>118,722</b>	<b>953,362</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 118,722</b>	<b>\$ 953,362</b>	<b>\$ -</b>

Special Revenue Funds

Storm Drain Deposits	Downtown Parking	Traffic Impact Fee	Estate Donation	TDA	PEG
\$ 56,086	\$ 1,013,792	\$ -	\$ 18,636	\$ 616	\$ 310,014
-	-	-	-	-	-
-	20,860	-	-	-	-
<u>\$ 56,086</u>	<u>\$ 1,034,652</u>	<u>\$ -</u>	<u>\$ 18,636</u>	<u>\$ 616</u>	<u>\$ 310,014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	155,572	-	-	-
-	7,207	-	-	-	-
-	7,207	155,572	-	-	-
56,086	1,027,445	-	18,636	616	310,014
-	-	-	-	-	-
-	-	(155,572)	-	-	-
<u>56,086</u>	<u>1,027,445</u>	<u>(155,572)</u>	<u>18,636</u>	<u>616</u>	<u>310,014</u>
<u>\$ 56,086</u>	<u>\$ 1,034,652</u>	<u>\$ -</u>	<u>\$ 18,636</u>	<u>\$ 616</u>	<u>\$ 310,014</u>

**City of Los Altos**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	Vehicle Registration Fees	SB1 Road Maintenance Rehabilitation	Public Art	AB-1379
<b>ASSETS</b>				
Cash and investments	\$ 1,141,614	\$ 1,092,774	\$ 452,080	\$ 104,569
Restricted cash and investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	-	-
<b>Total assets</b>	<b>\$ 1,141,614</b>	<b>\$ 1,092,774</b>	<b>\$ 452,080</b>	<b>\$ 104,569</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted:				
Debt service				
Special revenue programs and projects	1,141,614	1,092,774	452,080	104,569
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,141,614</b>	<b>1,092,774</b>	<b>452,080</b>	<b>104,569</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,141,614</b>	<b>\$ 1,092,774</b>	<b>\$ 452,080</b>	<b>\$ 104,569</b>

Capital Project Fund	Debt Service Funds	Total Nonmajor Governmental Funds
Equipment Replacement	General	
\$ 1,212,035	\$ 205,628	\$ 6,679,928
-	173,523	173,523
-	-	20,860
<u>\$ 1,212,035</u>	<u>\$ 379,151</u>	<u>\$ 6,874,311</u>
\$ 148,526	\$ -	\$ 148,526
-	-	201,445
-	-	7,207
<u>148,526</u>	<u>-</u>	<u>357,178</u>
	379,151	379,151
-	-	5,275,918
1,063,509	-	1,063,509
-	-	(201,445)
<u>1,063,509</u>	<u>379,151</u>	<u>6,517,133</u>
<u>\$ 1,212,035</u>	<u>\$ 379,151</u>	<u>\$ 6,874,311</u>

**City of Los Altos**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Vehicle Impound	Supplemental Law Enforcement	Gas Tax	Proposition 1B
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	100,000	864,073	-
Grants and donations	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	17,811	-	-	-
Interest and rentals	-	-	16,964	-
Other	-	-	-	-
<b>Total revenues</b>	<b>17,811</b>	<b>100,000</b>	<b>881,037</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	49,542	-	-	-
Capital improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>49,542</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(31,731)</b>	<b>100,000</b>	<b>881,037</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	(340,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(340,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(31,731)</b>	<b>(240,000)</b>	<b>881,037</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	(14,142)	358,722	72,325	-
Prior period adjustments	-	-	-	-
Beginning of year, as restated	(14,142)	358,722	72,325	-
End of year	\$ (45,873)	\$ 118,722	\$ 953,362	\$ -



Special Revenue Funds

Storm Drain Deposits	Downtown Parking	Traffic Impact Fee	Estate Donation	TDA	PEG
\$ -	\$ 44,240	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	43,733	-	-	63,930
-	73,921	36	877	(46)	12,329
-	261	-	-	-	-
-	118,422	43,769	877	(46)	76,259
-	31,724	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	31,724	-	-	-	-
-	86,698	43,769	877	(46)	76,259
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	86,698	43,769	877	(46)	76,259
56,086	940,747	(199,341)	17,759	662	233,755
-	-	-	-	-	-
56,086	940,747	(199,341)	17,759	662	233,755
\$ 56,086	\$ 1,027,445	\$ (155,572)	\$ 18,636	\$ 616	\$ 310,014

**City of Los Altos**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Vehicle Registration Fees	SB1 Road Maintenance Rehabilitation	Public Art	AB-1379
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ 11,872
Intergovernmental	-	801,112	-	-
Grants and donations	229,865	-	-	-
Charges for services	-	-	18,449	-
Fines and forfeitures	-	-	-	-
Interest and rentals	42,224	27,707	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>272,089</b>	<b>828,819</b>	<b>18,449</b>	<b>11,872</b>
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	-	-	-	-
Capital improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>272,089</b>	<b>828,819</b>	<b>18,449</b>	<b>11,872</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>272,089</b>	<b>828,819</b>	<b>18,449</b>	<b>11,872</b>
<b>FUND BALANCES:</b>				
Beginning of year	869,525	263,955	433,631	92,697
Prior period adjustments	-	-	-	-
Beginning of year, as restated	869,525	263,955	433,631	92,697
End of year	\$ 1,141,614	\$ 1,092,774	\$ 452,080	\$ 104,569

Special Revenue Fund	Capital Projects Fund	Debt Service Funds		Total Nonmajor Governmental Funds
Measure B Fund	Equipment Replacement	General	Los Altos Community Center Lease	
\$ -	\$ -	\$ -	\$ -	\$ 56,112
-	-	-	-	1,765,185
-	-	-	-	229,865
-	-	-	-	126,112
-	-	-	-	17,811
-	-	(4,489)	-	169,523
-	-	-	-	261
-	-	(4,489)	-	2,364,869
-	193,864	-	-	275,130
-	348,455	-	-	348,455
-	-	140,000	-	140,000
-	-	16,643	-	16,643
-	542,319	156,643	-	780,228
-	(542,319)	(161,132)	-	1,584,641
-	1,220,000	165,925	-	1,385,925
-	(246,779)	-	-	(586,779)
-	973,221	165,925	-	799,146
-	430,902	4,793	-	2,383,787
-	632,607	374,358	1	4,133,347
-	-	-	(1)	(1)
-	632,607	374,358	-	4,133,346
\$ -	\$ 1,063,509	\$ 379,151	\$ -	\$ 6,517,133

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Vehicle Impound

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 17,811	\$ 2,811
<b>Total revenues</b>	<b>15,000</b>	<b>15,000</b>	<b>17,811</b>	<b>2,811</b>
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	-	-	49,542	(49,542)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>49,542</b>	<b>(49,542)</b>
<b>Net change in fund balances</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>(31,731)</b>	<b>\$ (46,731)</b>
<b>FUND BALANCES:</b>				
Beginning of year			(14,142)	
End of year			<u>\$ (45,873)</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Supplemental Law Enforcement

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 100,000	\$ (30,000)
<b>Total revenues</b>	<b>130,000</b>	<b>130,000</b>	<b>100,000</b>	<b>(30,000)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(130,000)	(130,000)	(340,000)	(210,000)
<b>Total other financing sources (uses)</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>(340,000)</b>	<b>(210,000)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(240,000)</b>	<b>\$ (240,000)</b>
<b>FUND BALANCES:</b>				
Beginning of year			358,722	
End of year			<u>\$ 118,722</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Gas Tax

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 832,857	\$ 832,857	\$ 864,073	\$ 31,216
Interest and rentals	-	-	16,964	16,964
<b>Total revenues</b>	<b>832,857</b>	<b>832,857</b>	<b>881,037</b>	<b>48,180</b>
<b>Net change in fund balances</b>	<b>\$ 832,857</b>	<b>\$ 832,857</b>	<b>881,037</b>	<b>\$ 48,180</b>
<b>FUND BALANCES:</b>				
Beginning of year			72,325	
End of year			<u>\$ 953,362</u>	

**City of Los Altos**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**Proposition 1B**

**For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Los Altos**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**Storm Drain Deposits**

**For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Net change in fund balances</b>	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>				
Beginning of year			56,086	
End of year			\$ 56,086	



# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Downtown Parking

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 40,000	\$ 40,000	\$ 44,240	\$ 4,240
Interest and rentals	11,914	11,914	73,921	62,007
Other	15,000	15,000	261	(14,739)
<b>Total revenues</b>	<b>66,914</b>	<b>66,914</b>	<b>118,422</b>	<b>51,508</b>
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	-	-	31,724	(31,724)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>31,724</b>	<b>(31,724)</b>
<b>Net change in fund balances</b>	<b>\$ 66,914</b>	<b>\$ 66,914</b>	<b>86,698</b>	<b>\$ 19,784</b>
<b>FUND BALANCES:</b>				
Beginning of year			940,747	
End of year			<b>\$ 1,027,445</b>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Traffic Impact Fee

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 43,733	\$ (6,267)
Interest and rentals	-	-	36	36
<b>Total revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>43,769</b>	<b>(6,231)</b>
<b>Net change in fund balances</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>43,769</b>	<b>\$ (6,231)</b>
<b>FUND BALANCES:</b>				
Beginning of year			(199,341)	
End of year			<u>\$ (155,572)</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Estate Donation

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rentals	\$ -	\$ -	\$ 877	\$ 877
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>877</b>	<b>877</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>877</b>	<b>\$ 877</b>
<b>FUND BALANCES:</b>				
Beginning of year			17,759	
End of year			\$ 18,636	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### TDA

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and donations	\$ 46,000	\$ 46,000	\$ -	\$ (46,000)
Interest and rentals	-	-	(46)	(46)
<b>Total revenues</b>	<b>46,000</b>	<b>46,000</b>	<b>(46)</b>	<b>(46,046)</b>
<b>Net change in fund balances</b>	<b>\$ 46,000</b>	<b>\$ 46,000</b>	<b>(46)</b>	<b>\$ (46,046)</b>
<b>FUND BALANCES:</b>				
Beginning of year			662	
End of year			\$ 616	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

PEG

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 97,000	\$ 97,000	\$ 63,930	\$ (33,070)
Interest and rentals	-	-	12,329	12,329
<b>Total revenues</b>	<b>97,000</b>	<b>97,000</b>	<b>76,259</b>	<b>(20,741)</b>
<b>Net change in fund balances</b>	<b>\$ 97,000</b>	<b>\$ 97,000</b>	<b>76,259</b>	<b>\$ (20,741)</b>
<b>FUND BALANCES:</b>				
Beginning of year			233,755	
End of year			<u>\$ 310,014</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Vehicle Registration Fees

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and donations	\$ -	\$ -	\$ 229,865	\$ 229,865
Interest and rentals	-	-	42,224	42,224
<b>Total revenues</b>	-	-	272,089	272,089
<b>Net change in fund balances</b>	\$ -	\$ -	272,089	\$ 272,089
<b>FUND BALANCES:</b>				
Beginning of year			869,525	
End of year			\$ 1,141,614	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### SB1 Road Maintenance Rehabilitation

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 782,816	\$ 782,816	\$ 801,112	\$ 18,296
Interest and rentals	-	-	27,707	27,707
<b>Total revenues</b>	<b>782,816</b>	<b>782,816</b>	<b>828,819</b>	<b>46,003</b>
<b>Net change in fund balances</b>	<b>\$ 782,816</b>	<b>\$ 782,816</b>	<b>828,819</b>	<b>\$ 46,003</b>
<b>FUND BALANCES:</b>				
Beginning of year			263,955	
End of year			<u>\$ 1,092,774</u>	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Public Art

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 500,000	\$ 500,000	\$ 18,449	\$ (481,551)
<b>Total revenues</b>	<u>500,000</u>	<u>500,000</u>	<u>18,449</u>	<u>(481,551)</u>
<b>Net change in fund balances</b>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>18,449</u>	<u>\$ (481,551)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>433,631</u>	
End of year			<u>\$ 452,080</u>	



# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

AB-1379

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ -	\$ 11,872	\$ 11,872
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>11,872</b>	<b>11,872</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,872</b>	<b>\$ 11,872</b>
<b>FUND BALANCES:</b>				
Beginning of year			92,697	
End of year			\$ 104,569	

# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Equipment Replacement

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Current:				
Admin / community development	\$ 181,200	\$ 181,200	\$ 193,864	\$ (12,664)
Capital improvements	832,252	832,252	348,455	483,797
<b>Total expenditures</b>	<b>1,013,452</b>	<b>1,013,452</b>	<b>542,319</b>	<b>471,133</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,000,000	1,000,000	1,220,000	220,000
Transfers out	(247,000)	(247,000)	(246,779)	221
<b>Total other financing sources (uses)</b>	<b>753,000</b>	<b>753,000</b>	<b>973,221</b>	<b>220,221</b>
<b>Net change in fund balances</b>	<b>\$ (260,452)</b>	<b>\$ (260,452)</b>	<b>430,902</b>	<b>\$ 691,354</b>
<b>FUND BALANCES:</b>				
Beginning of year			632,607	
End of year			<u>\$ 1,063,509</u>	

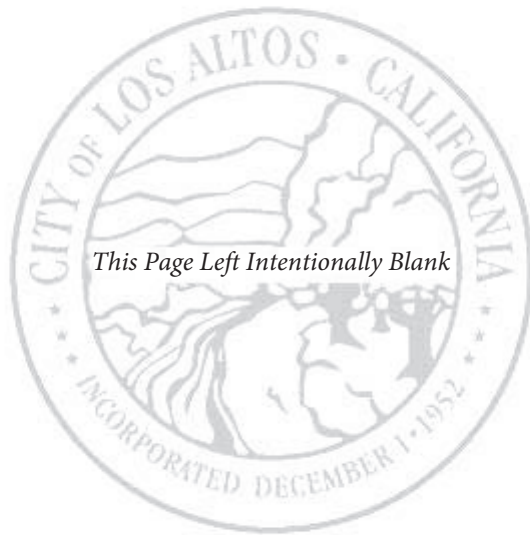
# City of Los Altos

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Debt Service General

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rentals	\$ -	\$ -	\$ (4,489)	\$ (4,489)
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>(4,489)</b>	<b>(4,489)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	25,925	25,925	16,643	9,282
<b>Total expenditures</b>	<b>165,925</b>	<b>165,925</b>	<b>156,643</b>	<b>9,282</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(165,925)</b>	<b>(165,925)</b>	<b>(161,132)</b>	<b>4,793</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	169,975	169,975	165,925	(4,050)
<b>Total other financing sources (uses)</b>	<b>169,975</b>	<b>169,975</b>	<b>165,925</b>	<b>(4,050)</b>
<b>Net change in fund balances</b>	<b>\$ 4,050</b>	<b>\$ 4,050</b>	<b>4,793</b>	<b>\$ 743</b>
<b>FUND BALANCES:</b>				
Beginning of year			374,358	
End of year			<u>\$ 379,151</u>	



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost-reimbursement basis (including depreciation).

**Dental Reimbursement**

To account for costs of the City's self-insurance dental program. Funds are provided primarily from charges to departments.

**Unemployment Insurance**

To account for the unemployment insurance premiums and claims made against the City. Funds are provided primarily from charges to departments.

**Workers' Compensation Insurance**

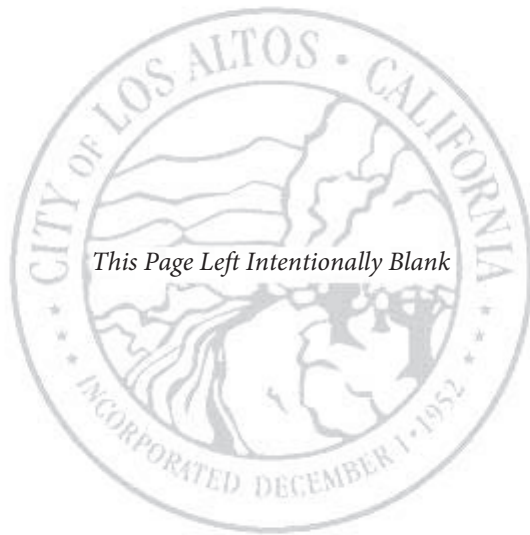
To account for the premium costs and self-insured claim losses made against the City for workers compensation. Funds are provided primarily from charges to departments.

**Liability Insurance**

To account for the premium costs and self-insured claim losses made against the City for property-related and general liability. Funds are provided primarily from charges to departments.

**PERS & OPEB Reserve**

To account for the CalPERS pension and retiree health payments. Funds are provided primarily from charges to departments.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2024**

	Dental Reimbursement	Unemployment Insurance	Workers' Compensation Insurance	Liability Insurance	PERS & OPEB Reserve	Totals
<b>ASSETS</b>						
Current Assets:						
Cash and investments	\$ 328,545	\$ 75,907	\$ 5,304,149	\$ 1,209,225	\$ 1,048,384	\$ 7,966,210
Accounts receivable	-	-	10,236	142,244	-	152,480
<b>Total assets</b>	<b>328,545</b>	<b>75,907</b>	<b>5,314,385</b>	<b>1,351,469</b>	<b>1,048,384</b>	<b>8,118,690</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	-	-	23,000	112,427	-	135,427
Claims and judgements - current	-	-	876,032	231,050	-	1,107,082
Total current liabilities	-	-	899,032	343,477	-	1,242,509
Noncurrent liabilities:						
Claims and judgments	-	-	3,076,873	226,908	-	3,303,781
Total noncurrent liabilities	-	-	3,076,873	226,908	-	3,303,781
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,975,905</b>	<b>570,385</b>	<b>-</b>	<b>4,546,290</b>
<b>NET POSITION</b>						
Unrestricted	328,545	75,907	1,338,480	781,084	1,048,384	3,572,400
<b>Total net position</b>	<b>\$ 328,545</b>	<b>\$ 75,907</b>	<b>\$ 1,338,480</b>	<b>\$ 781,084</b>	<b>\$ 1,048,384</b>	<b>\$ 3,572,400</b>

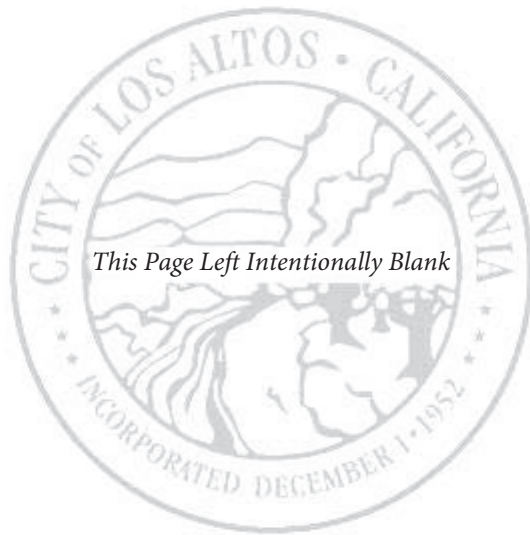
**City of Los Altos**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2024**

	Dental Reimbursement	Unemployment Insurance	Workers' Compensation Insurance	Liability Insurance	PERS & OPEB Reserve	Totals
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 489,602	\$ -	\$ -	\$ 1,445,403	\$ 3,090,590	\$ 5,025,595
<b>Total operating revenues</b>	<b>489,602</b>	<b>-</b>	<b>-</b>	<b>1,445,403</b>	<b>3,090,590</b>	<b>5,025,595</b>
<b>OPERATING EXPENSES:</b>						
Outside services	-	-	-	-	3,093,520	3,093,520
Claims and insurance	386,310	11,595	911,662	1,398,816	-	2,708,383
Administration	-	-	75,114	-	-	75,114
<b>Total operating expenses</b>	<b>386,310</b>	<b>11,595</b>	<b>986,776</b>	<b>1,398,816</b>	<b>3,093,520</b>	<b>5,877,017</b>
<b>Operating income (loss)</b>	<b>103,292</b>	<b>(11,595)</b>	<b>(986,776)</b>	<b>46,587</b>	<b>(2,930)</b>	<b>(851,422)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>						
Transfers in	200,000	-	-	500,000	500,000	1,200,000
<b>Total contributions and transfers</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>1,200,000</b>
<b>Change in net position</b>	<b>303,292</b>	<b>(11,595)</b>	<b>(986,776)</b>	<b>546,587</b>	<b>497,070</b>	<b>348,578</b>
<b>NET POSITION:</b>						
Beginning of year	25,253	87,502	2,325,256	234,497	551,314	3,223,822
End of year	\$ 328,545	\$ 75,907	\$ 1,338,480	\$ 781,084	\$ 1,048,384	\$ 3,572,400



**City of Los Altos**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2024**

	Dental Reimbursement	Unemployment Insurance	Workers' Compensation Insurance	Liability Insurance	PERS & OPEB Reserve	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from other funds	\$ 489,602	\$ -	\$ (335)	\$ 1,369,649	\$ 3,090,590	\$ 4,949,506
Cash payments to suppliers for goods and services	(386,310)	(11,595)	(96,203)	112,427	(3,093,520)	(3,475,201)
Cash payment to employees for services	-	-	-	-	-	-
Cash payment to claimants	-	-	-	-	-	-
Insurance premiums, settlements and rebates	-	-	(775,501)	(1,357,875)	-	(2,133,376)
<b>Net cash provided by (used in) operating activities</b>	<b>103,292</b>	<b>(11,595)</b>	<b>(872,039)</b>	<b>124,201</b>	<b>(2,930)</b>	<b>(659,071)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from (to) other funds	200,000	-	-	500,000	500,000	1,200,000
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>1,200,000</b>
<b>Net cash flows</b>	<b>303,292</b>	<b>(11,595)</b>	<b>(872,039)</b>	<b>624,201</b>	<b>497,070</b>	<b>540,929</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>25,253</b>	<b>87,502</b>	<b>6,176,188</b>	<b>585,024</b>	<b>551,314</b>	<b>7,425,281</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 328,545</b>	<b>\$ 75,907</b>	<b>\$ 5,304,149</b>	<b>\$ 1,209,225</b>	<b>\$ 1,048,384</b>	<b>\$ 7,966,210</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</b>						
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 103,292	\$ (11,595)	\$ (986,776)	\$ 46,587	\$ (2,930)	\$ (851,422)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Change in assets and liabilities:						
Receivables, net	-	-	(335)	(75,754)	-	(76,089)
Accounts payable and other accrued expenses	-	-	(21,089)	112,427	-	91,338
Claims and judgments	-	-	136,161	40,941	-	177,102
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 103,292</b>	<b>\$ (11,595)</b>	<b>\$ (872,039)</b>	<b>\$ 124,201</b>	<b>\$ (2,930)</b>	<b>\$ (659,071)</b>

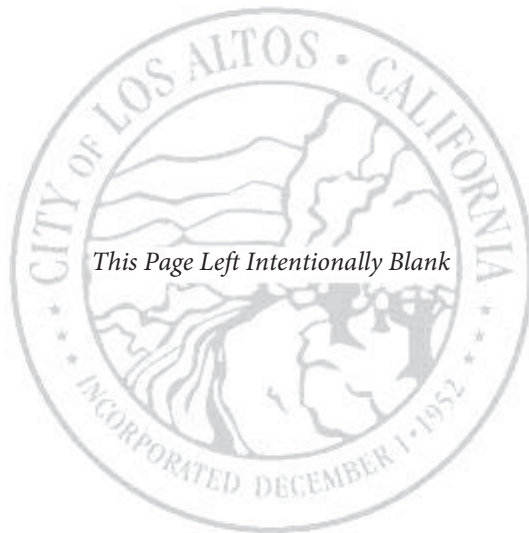


*This Page Left Intentionally Blank*

**City of Los Altos  
Custodial Funds  
For the Year Ended June 30, 2024**

**Blue Oak Lane Sewer**

This fund accounts for the accumulation of resources for payment of the debt service and installation of sanitary sewer systems on Blue Oak Lane funded via November 2009 limited obligation assessment district bonds. The revenue is derived from the special assessment levied to property owners within that improvement district.



*This Page Left Intentionally Blank*

**City of Los Altos**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2024**

	Blue Oak Lane Sewer	Avalon Dr. Curb & Gutter	Raymundo Curb & Gutter	Total Custodial Funds
<b>ASSETS</b>				
Cash and investments	\$ 44,192	\$ -	\$ -	\$ 44,192
Restricted cash and investments	48,250	-	-	48,250
<b>Total assets</b>	<b>92,442</b>	<b>-</b>	<b>-</b>	<b>92,442</b>
<b>LIABILITIES</b>				
Accounts payable	1,127	-	-	1,127
<b>Total liabilities</b>	<b>1,127</b>	<b>-</b>	<b>-</b>	<b>1,127</b>
<b>NET POSITION</b>				
Restricted for:				
Improvement district	91,315	-	-	91,315
<b>Total Net Position</b>	<b>\$ 91,315</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,315</b>

**City of Los Altos**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2024**

	Blue Oak Lane Sewer	Avalon Dr. Curb & Gutter	Raymundo Curb & Gutter	Total Custodial Funds
<b>ADDITIONS:</b>				
Fee collections	\$ 54,154	\$ -	\$ -	\$ 54,154
<b>Total additions</b>	<b>54,154</b>	<b>-</b>	<b>-</b>	<b>54,154</b>
<b>DEDUCTIONS:</b>				
Distributions	53,571	-	-	53,571
<b>Total deductions</b>	<b>53,571</b>	<b>-</b>	<b>-</b>	<b>53,571</b>
<b>Change in net position</b>	<b>583</b>	<b>-</b>	<b>-</b>	<b>583</b>
<b>NET POSITION:</b>				
Beginning of year	90,732	-	-	90,732
End of year	<u>\$ 91,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,315</u>

## STATISTICAL SECTION

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

### ***Financial Trends***

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

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

### ***Revenue Capacity***

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

1. Tax Revenues by Source, Governmental Funds
2. Assessed Value of Taxable Property
3. Assessed Value of Property by Use Code
4. Property Tax Dollar by Break Down
5. Property Tax Dollars by Recipient Group
6. Direct and Overlapping Tax Rates
7. Principal Property Taxpayers
8. Property Tax Levies and Collections

### ***Debt Capacity***

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

1. Ratios of Outstanding Debt by Type
2. Schedule of Direct and Overlapping Bonded Debt
3. Legal Debt Margin

### ***Demographic and Economic Information***

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

1. Demographic Statistics
2. Principal Employers

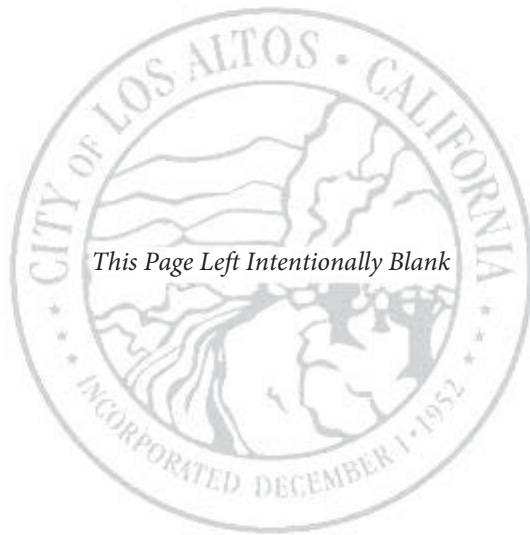
### ***Operating Information***

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

1. Full-Time Equivalent City Employees by Function/Program
2. Full-Time Equivalent City Employees
3. Operating Indicators by Function/Program
4. Capital Asset Statistics by Function/Program
5. Trust and Agency Debt Administration

### ***Sources***

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



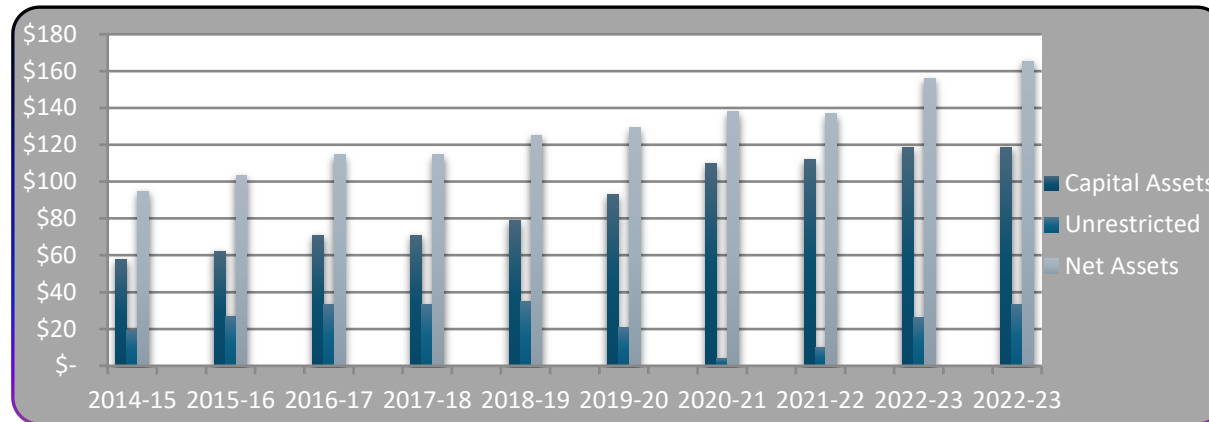
*This Page Left Intentionally Blank*



**City of Los Altos**  
**Net Position by Component**  
**Last Ten Fiscal Years**

*(accrual basis of accounting; amounts expressed in thousands)*

	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Governmental activities</b>										
Net investment in capital assets	\$ 49,079	\$ 53,409	\$ 54,725	\$ 61,525	\$ 67,611	\$ 80,869	\$ 95,463	\$ 96,866	\$ 102,685	\$ 102,178
Restricted	17,815	14,447	11,498	10,620	11,381	15,365	24,021	14,427	11,635	13,593
Unrestricted	10,746	15,583	24,047	20,429	21,733	5,216	(11,750)	(4,855)	11,125	17,547
<b>Total governmental activities net position</b>	<b>\$ 77,640</b>	<b>\$ 83,439</b>	<b>\$ 90,270</b>	<b>\$ 92,574</b>	<b>\$ 100,725</b>	<b>\$ 101,450</b>	<b>\$ 107,734</b>	<b>\$ 106,438</b>	<b>\$ 125,445</b>	<b>\$ 133,319</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 8,662	\$ 8,726	\$ 8,403	\$ 9,450	\$ 11,239	\$ 12,288	\$ 14,650	\$ 15,356	\$ 15,873	\$ 16,396
Unrestricted	8,472	11,259	11,907	12,644	13,135	15,500	15,510	14,927	14,910	15,639
<b>Total business-type activities net position</b>	<b>\$ 17,134</b>	<b>\$ 19,985</b>	<b>\$ 20,310</b>	<b>\$ 22,094</b>	<b>\$ 24,374</b>	<b>\$ 27,788</b>	<b>\$ 30,160</b>	<b>\$ 30,283</b>	<b>\$ 30,783</b>	<b>\$ 32,035</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 57,741	\$ 62,135	\$ 63,128	\$ 70,975	\$ 78,850	\$ 93,157	\$ 110,113	\$ 112,222	\$ 118,558	\$ 118,574
Restricted	17,815	14,447	11,498	10,620	11,381	15,365	24,021	14,427	11,635	13,594
Unrestricted	19,218	26,842	35,954	33,073	34,868	20,716	3,760	10,072	26,035	33,186
<b>Total primary government net position</b>	<b>\$ 94,774</b>	<b>\$ 103,424</b>	<b>\$ 110,580</b>	<b>\$ 114,668</b>	<b>\$ 125,099</b>	<b>\$ 129,238</b>	<b>\$ 137,894</b>	<b>\$ 136,721</b>	<b>\$ 156,228</b>	<b>\$ 165,354</b>



Source:

City of Los Altos Finance Department

Note:

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "Net Assets" with the term "Net Position"

**City of Los Altos**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

*(accrual basis of accounting; amounts expressed in thousands)*

	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Expenses</b>										
Governmental activities:										
Public safety	\$ 15,636	\$ 15,791	\$ 15,224	\$ 19,928	\$ 18,945	\$ 21,217	\$ 21,384	\$ 23,843	\$ 18,273	\$ 23,113
Public works	7,058	5,816	7,832	6,217	6,534	7,659	4,741	11,494	7,436	8,666
Recreation	2,976	2,744	2,613	3,402	3,061	3,235	2,584	2,942	2,928	3,757
Community development	4,590	5,758	4,243	6,440	5,547	6,596	7,004	7,636	5,784	7,382
Admin/Community services	4,002	4,882	4,411	5,687	5,905	9,806	8,282	14,265	9,094	13,163
Interest on long-term activities	68	63	51	64	51	40	245	307	238	215
<b>Total governmental activities expenses</b>	<b>34,330</b>	<b>35,054</b>	<b>34,374</b>	<b>41,738</b>	<b>40,043</b>	<b>48,553</b>	<b>44,240</b>	<b>60,487</b>	<b>43,753</b>	<b>56,296</b>
Business-type activities:										
Sewer	4,789	4,607	6,754	4,970	5,273	5,527	5,268	6,900	7,087	8,174
Solid waste	347	376	438	461	465	426	394	1,092	2,151	1,848
<b>Total Business-type activities expenses</b>	<b>5,351</b>	<b>4,983</b>	<b>7,193</b>	<b>5,432</b>	<b>5,738</b>	<b>5,953</b>	<b>5,662</b>	<b>7,992</b>	<b>9,239</b>	<b>10,022</b>
<b>Total primary government expenses</b>	<b>\$ 39,681</b>	<b>\$ 40,037</b>	<b>\$ 41,567</b>	<b>\$ 47,170</b>	<b>\$ 45,781</b>	<b>\$ 54,506</b>	<b>\$ 49,902</b>	<b>\$ 68,479</b>	<b>\$ 52,991</b>	<b>\$ 66,318</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 898	\$ 462	\$ 363	\$ 330	\$ 488	\$ 324	\$ 202	\$ 396	\$ 1,301	\$ 619
Public works	33	55	42	51	51	48	59	9	52	107
Recreation	2,167	2,123	2,070	2,021	1,963	847	271	1,139	1,417	1,489
Community development	3,625	3,412	3,112	4,589	4,027	3,498	5,793	9,063	7,942	6,310
Admin/Community services	954	1,033	1,082	950	753	1,200	954	47	219	265
Operating grants and contributions:										
Public safety	109	437	392	409	401	188	4,140	4,655	606	330
Public works	504	336	262	298	286	420	379	427	482	486
Recreation	-	2	5	5	5	-	-	-	-	-
Community development	343	8	148	170	-	-	306	1	-	-
Capital grants and contributions:										
Public works	498	1,522	807	641	806	1,856	1,778	839	2,218	2,006
Community development	30	7	-	62	-	-	31	-	-	7
<b>Total governmental activities program revenues</b>	<b>9,161</b>	<b>9,397</b>	<b>8,283</b>	<b>9,526</b>	<b>8,780</b>	<b>8,381</b>	<b>13,913</b>	<b>16,576</b>	<b>14,236</b>	<b>11,619</b>

**City of Los Altos**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

(accrual basis of accounting; amounts expressed in thousands)

	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Business-type activities:										
Charges for services:										
Sewer	\$ 6,328	\$ 6,986	\$ 6,703	\$ 6,369	\$ 6,467	\$ 7,942	\$ 7,126	\$ 8,282	\$ 8,849	\$ 10,410
Solid waste	786	752	774	812	841	847	861	929	979	952
Storm drain	2	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	7,116	7,738	7,477	7,181	7,308	8,789	7,987	9,211	9,829	11,362
<b>Total primary government program revenues</b>	<b>\$ 16,277</b>	<b>\$ 17,135</b>	<b>\$ 15,760</b>	<b>\$ 16,707</b>	<b>\$ 16,088</b>	<b>\$ 17,170</b>	<b>\$ 21,900</b>	<b>\$ 25,787</b>	<b>\$ 24,065</b>	<b>\$ 22,981</b>
Net (expense)/revenue:										
Governmental activities	\$ (25,170)	\$ (25,657)	\$ (26,091)	\$ (32,212)	\$ (31,263)	\$ (40,172)	\$ (30,327)	\$ (43,911)	\$ (29,517)	\$ (44,677)
Business-type activities	1,766	2,755	284	1,749	1,570	2,836	2,325	1,219	590	1,340
<b>Total primary government net (expense)/revenues</b>	<b>\$ (23,404)</b>	<b>\$ (22,902)</b>	<b>\$ (25,807)</b>	<b>\$ (30,463)</b>	<b>\$ (29,693)</b>	<b>\$ (37,336)</b>	<b>\$ (28,002)</b>	<b>\$ (42,692)</b>	<b>\$ (28,927)</b>	<b>\$ (43,337)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 17,480	\$ 18,776	\$ 19,863	\$ 21,429	\$ 23,792	\$ 25,787	\$ 28,464	\$ 30,086	\$ 32,644	\$ 34,411
Sales taxes	2,943	3,196	3,278	3,244	3,461	3,373	2,996	3,738	3,686	3,442
Utility users taxes	2,523	2,672	2,680	2,732	2,744	2,839	2,917	3,094	3,215	3,517
Other taxes	3,732	3,909	4,330	4,535	4,514	3,598	2,304	3,546	4,110	4,324
Franchise fees	1,808	2,029	2,083	2,207	2,222	2,287	2,215	2,339	2,516	2,612
Interest income	200	438	233	320	2,226	2,595	173	(1,342)	506	3,023
Miscellaneous	1,124	435	454	452	456	418	428	486	515	501
Transfers	(196)	-	-	-	-	-	-	669	259	720
Total governmental activities	29,614	31,455	32,921	34,919	39,415	40,897	39,497	42,616	47,451	52,550
Business-type activities:										
Interest income	-	-	-	-	-	579	47	(471)	169	633
Miscellaneous	40	96	40	70	477	-	-	44	-	-
Transfers	196	-	-	-	-	-	-	(669)	(259)	(720)
Total business-type activities	236	96	40	70	477	579	47	(1,096)	(90)	(87)
<b>Total primary government</b>	<b>\$ 29,850</b>	<b>\$ 31,551</b>	<b>\$ 32,961</b>	<b>\$ 34,989</b>	<b>\$ 39,892</b>	<b>\$ 41,476</b>	<b>\$ 39,544</b>	<b>\$ 41,520</b>	<b>\$ 47,361</b>	<b>\$ 52,464</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 4,444	\$ 5,798	\$ 6,830	\$ 2,707	\$ 8,152	\$ 725	\$ 9,170	\$ (1,295)	\$ 17,934	\$ 7,874
Business-type activities	2,002	2,851	324	1,819	2,047	3,415	2,372	123	500	1,253
<b>Total primary government</b>	<b>\$ 6,446</b>	<b>\$ 8,649</b>	<b>\$ 7,154</b>	<b>\$ 4,526</b>	<b>\$ 10,199</b>	<b>\$ 4,140</b>	<b>\$ 11,542</b>	<b>\$ (1,172)</b>	<b>\$ 18,434</b>	<b>\$ 9,127</b>

Source:

City of Los Altos Finance Department

# City of Los Altos

## Fund Balances - Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting; amounts expressed in thousands)

	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>General fund</b>										
Non-Spendable	\$ 445	\$ 524	\$ 38	\$ 1,932	\$ 1,882	\$ 1,836	\$ 1,859	\$ 214	\$ 190	\$ 60
Assigned	29,565	29,064	37,630	38,040	39,020	25,773	15,937	10,337	10,008	10,329
Unassigned/Unrestricted	4,789	8,535	6,148	5,422	6,841	7,861	4,928	9,059	18,682	27,806
<b>Total general fund</b>	<b>\$ 34,799</b>	<b>\$ 38,123</b>	<b>\$ 43,816</b>	<b>\$ 45,394</b>	<b>\$ 47,743</b>	<b>\$ 35,470</b>	<b>\$ 22,724</b>	<b>\$ 19,610</b>	<b>\$ 28,880</b>	<b>\$ 38,195</b>
<b>All other governmental funds</b>										
Restricted	\$ 10,614	\$ 9,969	\$ 9,645	\$ 10,107	\$ 9,939	\$ 10,890	\$ 12,149	\$ 14,427	\$ 11,635	\$ 13,698
Assigned	7,201	4,477	1,993	1,335	1,495	4,529	11,872	12,535	12,532	11,829
Unreserved/Unrestricted	-	-	(140)	(823)	(53)	(53)	(532)	(236)	(213)	(201)
<b>Total all other governmental funds</b>	<b>17,815</b>	<b>14,446</b>	<b>11,498</b>	<b>10,619</b>	<b>11,381</b>	<b>15,366</b>	<b>23,489</b>	<b>26,726</b>	<b>23,954</b>	<b>25,326</b>
<b>Total all governmental funds</b>	<b>\$ 52,614</b>	<b>\$ 52,569</b>	<b>\$ 55,314</b>	<b>\$ 56,013</b>	<b>\$ 59,124</b>	<b>\$ 50,836</b>	<b>\$ 46,213</b>	<b>\$ 46,336</b>	<b>\$ 52,833</b>	<b>\$ 63,521</b>

Source:

City of Los Altos Finance Department

# City of Los Altos

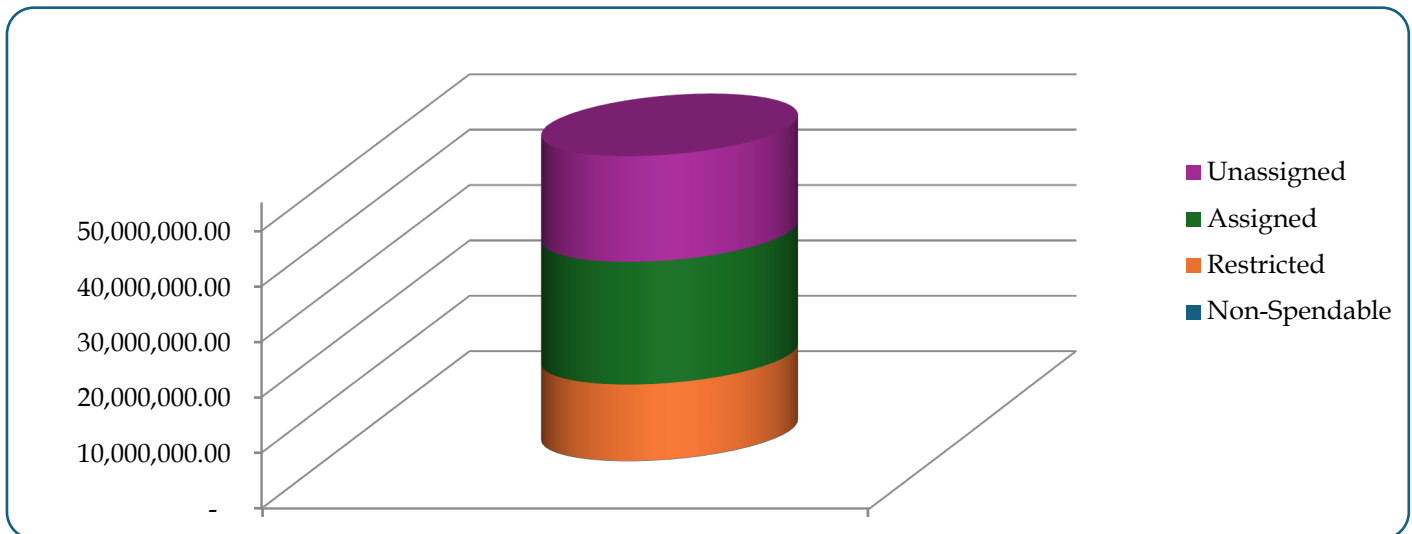
## Fund Balances - Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting; amounts expressed in thousands)

(GASB 54 Presentation - 2023-24)

	General Fund	In Lieu Park Land	Los Altos Community Center Lease	Capital Projects	Other Govt Funds	Total
<i>Inventory &amp; Prepaids</i>	\$ (60,355)	\$ -	\$ -	\$ -	\$ -	\$ (60,355)
<b>Non-Spendable</b>	<b>(60,355)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60,355)</b>
<i>Debt Service</i>	-	-	(2)	-	(379,151)	(379,153)
<i>Special Revenue Programs and Projects</i>	-	(8,043,049)	-	-	(5,275,918)	(13,318,967)
<b>Restricted</b>	<b>-</b>	<b>(8,043,049)</b>	<b>(2)</b>	<b>-</b>	<b>(5,655,069)</b>	<b>(13,698,120)</b>
<i>Emergency and Operating</i>	(9,613,296)	-	-	-	-	(9,613,296)
<i>Veteran Memorial reserve</i>	(8,615)	-	-	-	-	(8,615)
<i>Technology</i>	(707,058)	-	-	-	-	(707,058)
<i>Capital and Equipment</i>	-	-	-	-	(1,063,509)	(1,063,509)
<i>CIP Reserve</i>	-	-	-	(10,765,332)	-	(10,765,332)
<b>Assigned</b>	<b>(10,328,969)</b>	<b>-</b>	<b>-</b>	<b>(10,765,332)</b>	<b>(1,063,509)</b>	<b>(22,157,810)</b>
<i>Unrealized Gain/(Loss)</i>	(769,639)	-	-	-	-	(769,639)
<b>Unassigned</b>	<b>(27,036,722)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,445</b>	<b>(26,835,277)</b>
<b>Total Unassigned Fund Balance</b>	<b>(27,806,361)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,445</b>	<b>(27,604,916)</b>
<b>Total Fund Equity</b>	<b>\$ (38,195,685)</b>	<b>\$ (8,043,049)</b>	<b>\$ (2)</b>	<b>\$ (10,765,332)</b>	<b>\$ (6,517,133)</b>	<b>\$ (63,521,201)</b>



Source:

City of Los Altos Finance Department

# City of Los Altos

## Changes in Fund Balances - Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Revenues</b>										
Taxes	\$ 26,690	\$ 28,565	\$ 30,151	\$ 31,939	\$ 34,511	\$ 35,597	\$ 36,684	\$ 40,464	\$ 43,655	\$ 45,694
License, permits and park-in-lieu	3,925	3,784	3,786	4,195	4,207	4,209	4,545	4,919	5,811	5,497
Intergovernmental	1,027	973	742	2,087	1,557	1,358	4,155	5,836	3,681	2,270
Grants and donations	873	1,863	1,214	928	396	1,368	4,017	541	265	1,566
Charges for services	4,698	4,659	4,577	4,620	4,850	3,751	3,221	4,095	7,134	4,930
Fines and forfeitures	161	264	213	178	191	195	138	184	175	340
Interest and rentals	291	558	230	360	2,269	2,681	233	(1,303)	568	3,039
Other	1,306	187	291	137	214	119	418	3,786	140	114
<b>Total revenues</b>	<b>38,971</b>	<b>40,853</b>	<b>41,204</b>	<b>44,444</b>	<b>48,195</b>	<b>49,278</b>	<b>53,411</b>	<b>58,522</b>	<b>61,429</b>	<b>63,450</b>
<b>Expenditures</b>										
General government										
Public Safety										
Police	9,167	9,976	9,968	10,744	11,107	11,465	11,673	13,225	12,533	13,437
Fire Services	5,961	6,219	6,473	6,722	7,011	7,331	7,717	7,893	8,217	8,625
Public works	4,307	4,859	5,299	5,784	5,535	5,469	5,617	6,134	5,940	5,490
Recreation	2,389	2,423	2,343	2,509	2,469	2,313	1,782	2,540	2,847	3,146
Community development	4,221	6,087	4,653	5,747	5,361	5,896	6,445	6,967	6,567	7,143
Administration/Community services	3,770	4,852	4,567	4,773	5,673	8,515	7,702	13,969	7,763	10,730
Utility and sustainability	-	-	-	-	-	-	-	-	-	240
Capital improvements	2,435	6,313	4,992	7,299	7,756	15,428	23,343	6,714	8,299	2,693
Debt service										
Principal	100	105	105	110	120	120	628	534	554	563
Interest and fiscal charges	69	64	60	56	52	47	239	308	242	215
<b>Total expenditures</b>	<b>32,419</b>	<b>40,898</b>	<b>38,460</b>	<b>43,744</b>	<b>45,084</b>	<b>56,584</b>	<b>65,146</b>	<b>58,284</b>	<b>52,962</b>	<b>52,282</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,552</b>	<b>(45)</b>	<b>2,744</b>	<b>700</b>	<b>3,111</b>	<b>(7,306)</b>	<b>(11,735)</b>	<b>238</b>	<b>8,467</b>	<b>11,168</b>

# City of Los Altos

## Changes in Fund Balances - Governmental Funds

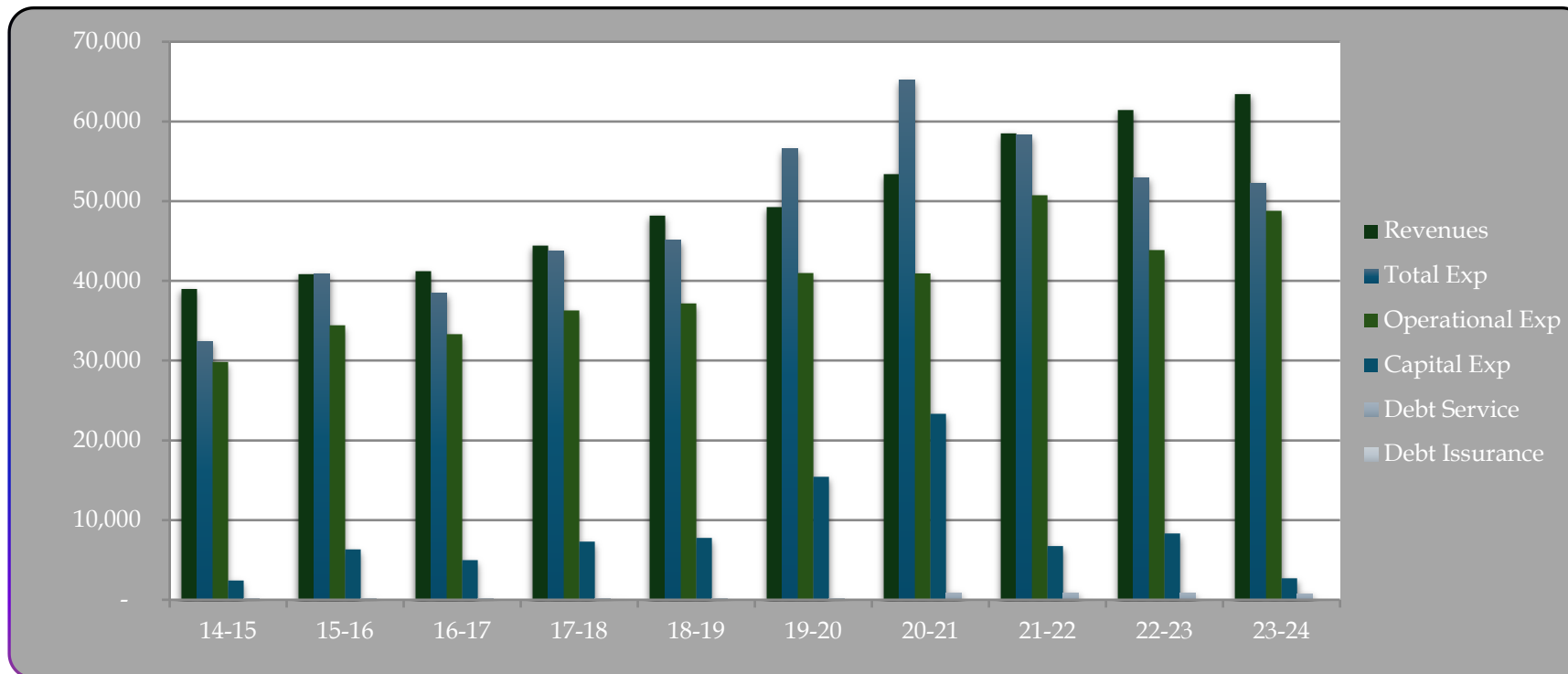
### Last Ten Fiscal Years

*(modified accrual basis of accounting; amounts expressed in thousands)*

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Other financing sources (uses)</b>										
Debt issuance	-	-	-	-	-	-	10,000	-	-	-
Transfers in	3,632	1,752	760	5,714	8,243	17,747	31,551	10,136	10,312	3,998
Transfers out	(3,828)	(1,752)	(760)	(5,714)	(8,243)	(18,729)	(31,551)	(10,251)	(11,989)	(4,478)
<b>Total Other financing sources (uses)</b>	<b>(196)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(982)</b>	<b>10,000</b>	<b>(115)</b>	<b>(1,677)</b>	<b>(480)</b>
<b>Net change in fund balances</b>	<b>\$ 6,356</b>	<b>\$ (45)</b>	<b>\$ 2,744</b>	<b>\$ 700</b>	<b>\$ 3,111</b>	<b>\$ (8,288)</b>	<b>\$ (1,735)</b>	<b>\$ 123</b>	<b>\$ 6,790</b>	<b>\$ 10,688</b>
<b>Debt service as a percentage of non-capital expenditures</b>	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	2.1%	1.6%	1.8%	1.6%

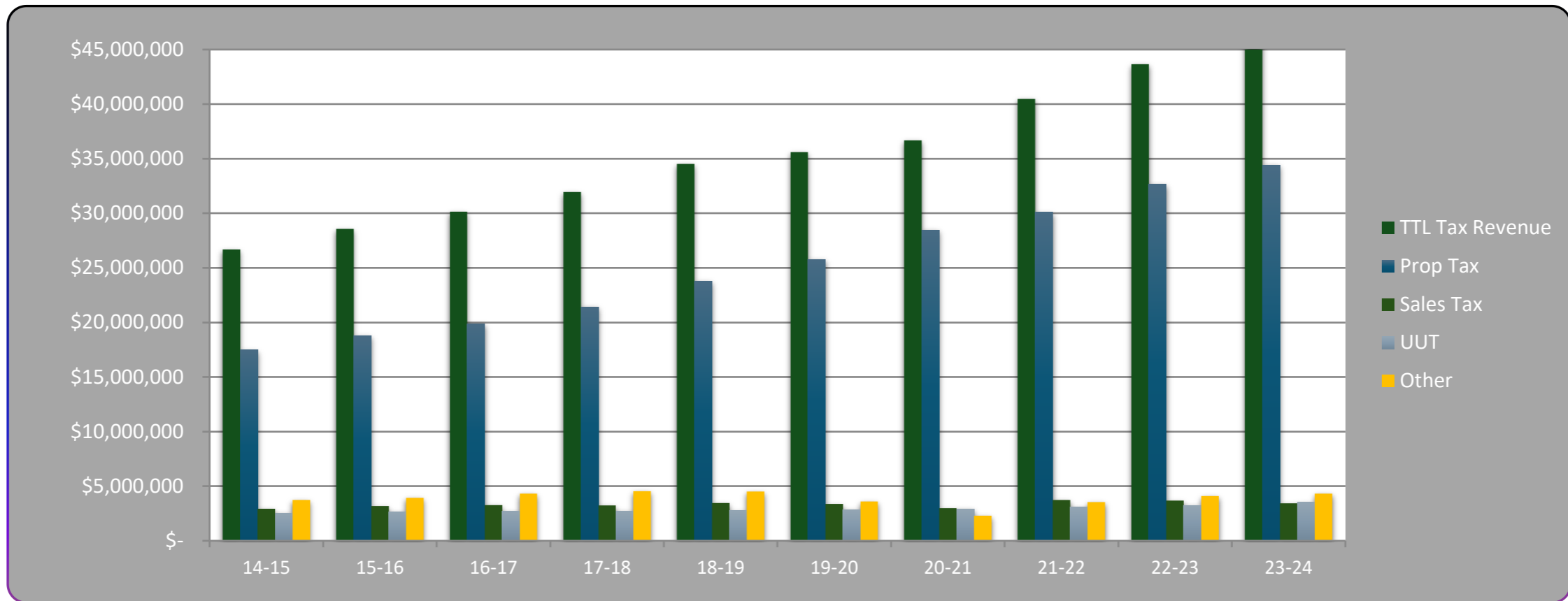
Source:

City of Los Altos Finance Department



**City of Los Altos**  
**Tax Revenues by Source - Governmental Funds**  
**Last Ten Fiscal Years**

Fiscal Year	Property	Sales Tax	Business Licenses	Utility Users	Transient Occupancy	Real Estate Transfer Tax	Motor Vehicle License Tax	Building Development	Special Assessments	Total
2013-14	15,586,329	2,809,489	475,298	2,600,034	2,168,556	583,581	12,639	314,271	-	24,550,197
2014-15	17,479,882	2,942,764	453,201	2,522,536	2,450,488	616,500	12,281	212,187	-	26,689,839
2015-16	18,775,472	3,195,628	520,687	2,672,236	2,608,368	617,355	12,119	162,981	-	28,564,846
2016-17	19,863,197	3,278,430	539,989	2,679,961	2,985,201	668,242	14,046	122,071	-	30,151,137
2017-18	21,428,501	3,243,554	547,065	2,732,325	3,072,982	732,409	16,530	165,900	-	31,939,265
2018-19	23,791,531	3,461,298	540,262	2,743,570	3,166,067	679,424	15,054	113,589	-	34,510,795
2019-20	25,786,599	3,373,391	517,818	2,838,664	2,359,762	579,948	24,686	115,994	-	35,596,861
2020-21	28,464,193	2,996,325	537,089	2,917,252	662,132	931,856	22,646	150,170	-	36,681,663
2021-22	30,086,157	3,738,113	612,218	3,093,784	1,778,966	996,702	35,247	121,242	-	40,462,429
2022-23	32,644,256	3,686,148	471,808	3,214,718	2,830,943	636,503	32,459	136,896	-	43,653,731
2023-24	34,410,697	3,442,623	474,551	3,517,437	3,065,493	630,754	39,116	112,276	-	45,692,947



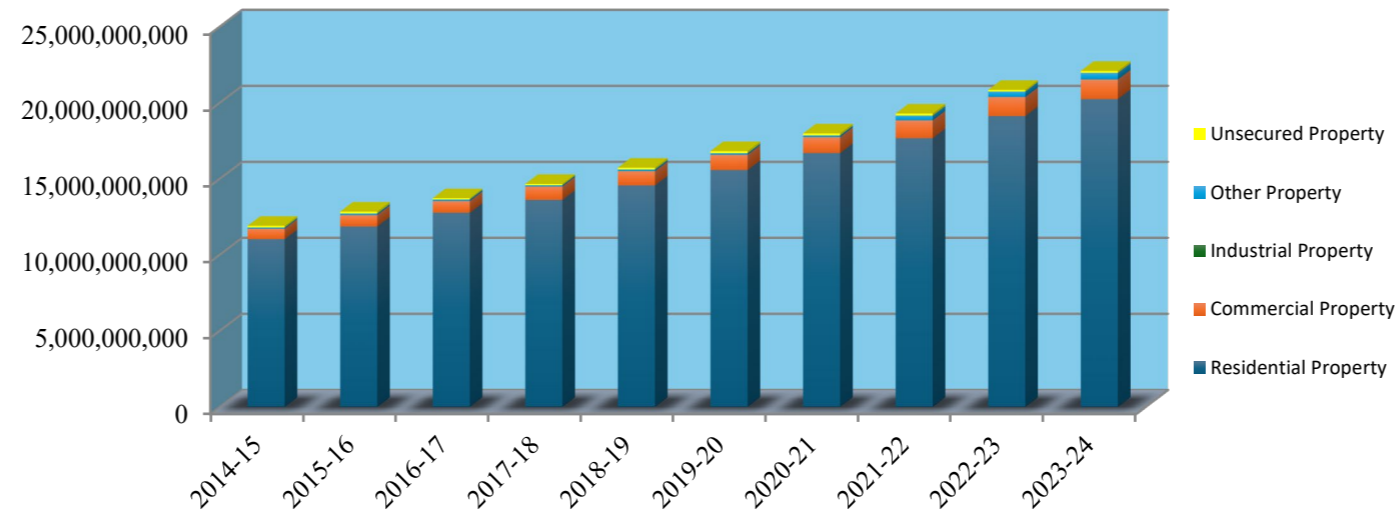
Source:  
City of Los Altos Finance Department



**City of Los Altos**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

**City of Los Altos**  
**Citywide Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)	Assessed Value as a Percentage of Actual Value
2014-15	11,017,386,476	685,084,415	-	83,121,563	109,149,891	-	11,894,742,345	1.00000	-	-	-
2015-16	11,848,840,720	750,708,212	-	106,506,870	125,355,972	-	12,831,411,774	1.00000	-	-	-
2016-17	12,754,487,484	771,705,270	-	106,158,405	80,739,845	-	13,713,091,004	1.00000	-	-	-
2017-18	13,600,334,963	880,225,920	-	90,338,436	83,250,683	-	14,654,150,002	1.00000	-	-	-
2018-19	14,551,466,831	936,831,320	-	119,120,564	112,813,483	-	15,720,232,198	1.00000	-	-	-
2019-20	15,563,770,279	1,003,212,732	-	110,061,604	131,971,942	-	16,809,016,557	1.00000	-	-	-
2020-21	16,685,985,691	1,045,789,993	-	116,124,083	127,343,780	-	17,975,243,547	1.00000	-	-	-
2021-22	17,660,710,167	1,176,998,446	917,222	316,378,008	130,730,093	507,152,078	18,778,581,858	1.18856	42,924,835,863	2.285840	43.75%
2022-23	19,117,618,781	1,252,605,172	935,563	361,042,159	106,554,514	506,466,970	20,332,289,219	1.15840	48,389,284,987	2.379923	42.02%
2023-24	20,233,418,769	1,289,372,212	954,270	436,821,230	128,086,965	513,506,701	21,575,146,745	1.14480	40,534,716,042	1.878769	53.23%



Source: Santa Clara County Assessor data, MuniServices, LLC, / Avenu Insights & Analytics

Source: FY2022-23 and prior years, 2023 Los Altos - ACFR Publication

1.) Total direct tax rate is represented by TRA 11-000.

2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

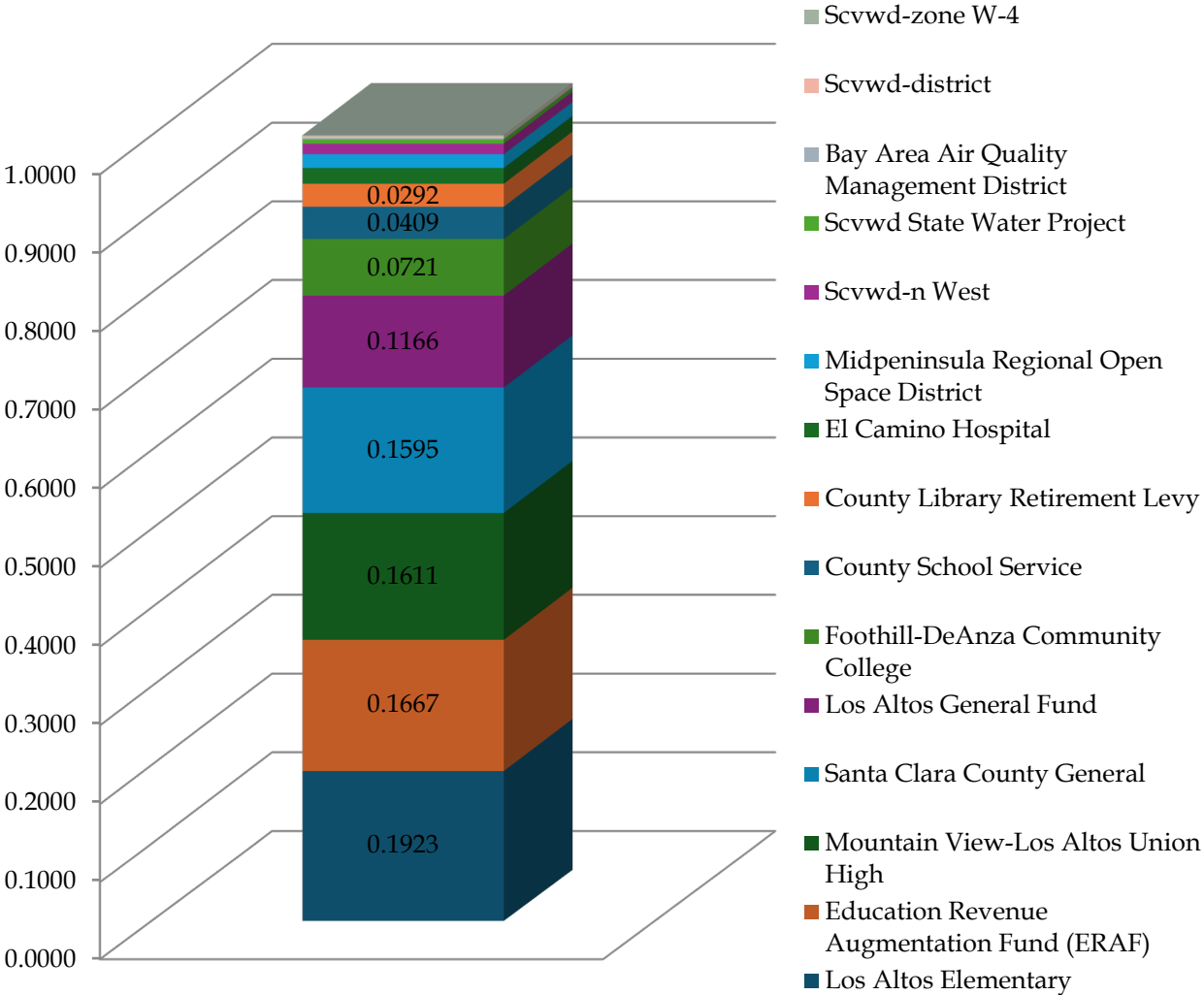
**City of Los Altos**  
**Assessed Value of Property By Use Code**  
**Last Ten Fiscal Years**

<b>Category</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Residential	17,660,710,167	19,117,618,781	20,233,418,769
Commercial	1,176,998,446	1,252,605,172	1,289,372,212
Institution	195,945,908	199,622,422	213,038,831
Vacant	39,484,106	85,832,871	154,995,936
Social	54,964,365	48,424,279	49,996,202
Transportation	15,348,765	16,164,927	17,364,490
Recreational	1,370,410	1,397,817	1,425,771
Industrial	917,222	935,563	954,270
Agriculture	4,549,755	4,491,933	-
Public	4,714,699	5,107,910	-
Gross Secured Value	19,155,003,843	20,732,201,675	21,960,566,481
Unsecured Value	130,730,093	106,554,514	128,086,965
<i>Less ALL Exemptions</i>	507,152,078	506,466,970	513,506,701
Net Taxable Value	18,778,581,858	20,332,289,219	21,575,146,745

Source: Santa Clara County Assessor data, MuniServices, LLC, / Avenu Insights & Analytics

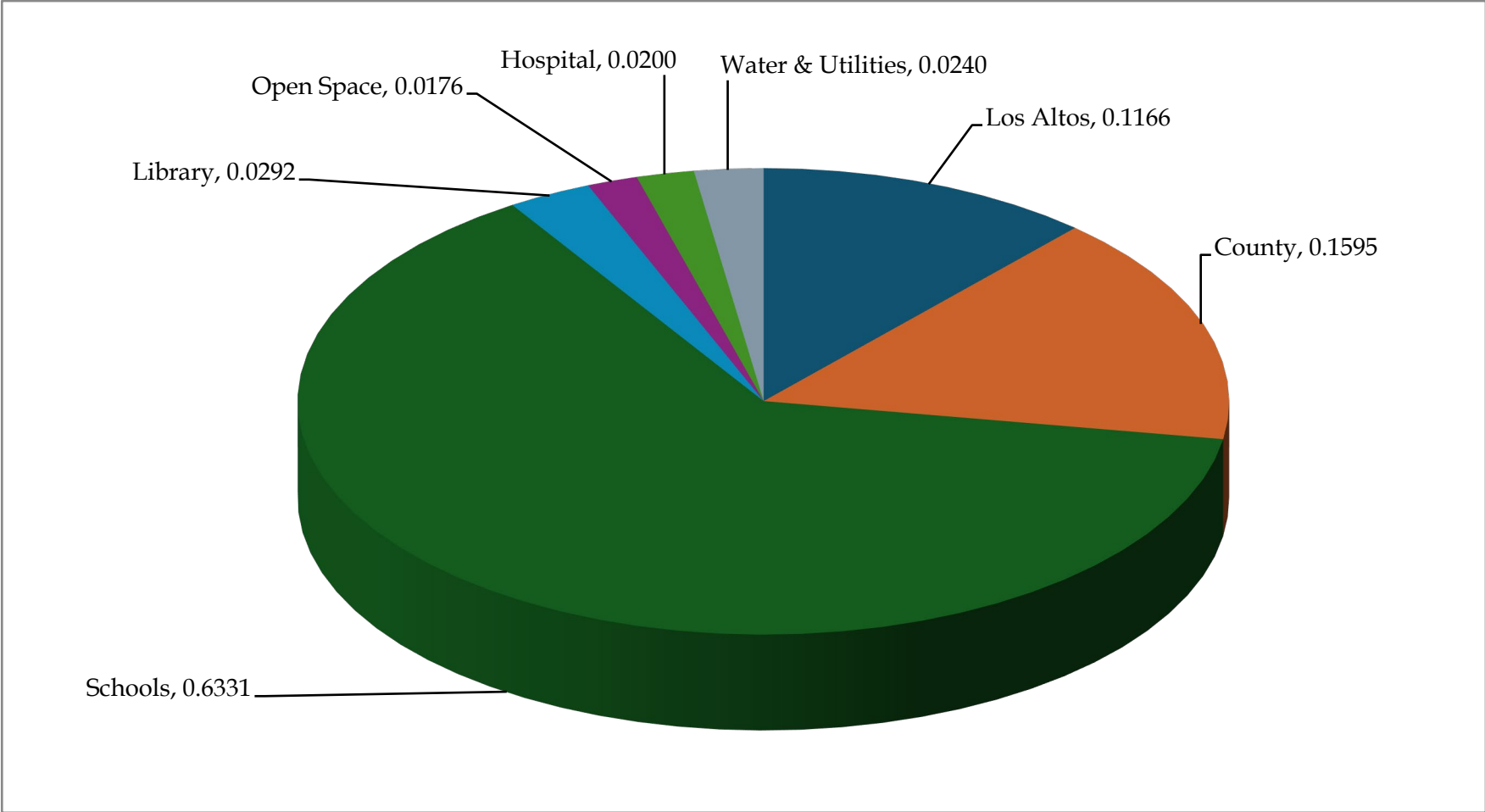
Use code categories are based on Santa Clara County Assessor's data.

**City of Los Altos**  
**Property Tax Dollar Breakdown**  
**June 30, 2024**



Source:  
 HdL Coren & Cone

**City of Los Altos**  
**Property Tax Dollars By Recipient Group**  
**June 30, 2024**



Source:  
HdL Coren & Cone

**City of Los Altos**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2023-24		% of City's Est. Total Property Tax Revenue	2014-15		% of City's Est. Total Property Tax Revenue
	Total Assessed Value	Rank		Total Assessed Value	Rank	
RLJ R Los Altos LP	\$ 69,754,459	1	0.32%	\$ -		
Los Altos Gardens II LP	60,685,421	2	0.28%	49,655,183	1	0.42%
Imperial Hornet Developers LLC	58,971,114	3	0.27%	-		
St. Paul Fire & Marine Insurance Company	56,813,327	4	0.26%	48,217,920	2	0.41%
5150 ECR Los Altos LLC	48,960,000	5	0.23%	-		
Spieker Richard T Trustee & Et Al	36,887,772	6	0.17%	-		
Springwood Apartments LLC	35,566,596	7	0.16%	28,259,151	4	0.24%
Toyota Research Institute Inc.	28,771,633	8	0.13%	-		
199 First Street Owner LLC	28,469,031	9	0.13%	-		
Safeway Inc.	26,610,925	10	0.12%	8,541,545		0.07%
Box Com	-			32,285,180	3	0.27%
Compass Grand Los Altos LLC	-			22,377,644	5	0.19%
KRC Los Altos LP	26,250,945		0.12%	22,081,860	6	0.19%
4740 ECR Los Altos LLC	-			20,286,289	7	0.17%
4 Seasons Assocs LLC	23,398,614		0.11%	19,929,667	8	0.17%
Palo Alto Medical Foundation	-			18,908,948	9	0.16%
Los Altos Hotel Assoc LLC	-			17,362,271	10	0.15%
<b>Top Ten Total</b>	<b>501,139,837</b>		<b>2.32%</b>	<b>287,905,658</b>		<b>2.42%</b>
<b>City Total</b>	<b>\$ 21,575,146,745</b>			<b>\$ 11,894,742,345</b>		

Source:

Santa Clara County Assessor data, MuniServices, LLC, / Avenu Insights & Analytics

**City of Los Altos**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Santa Clara County**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Levy Collected</b>	<b>Levy Collected of the Total Levy</b>	<b>Current Collections of the Levy</b>	<b>Delinquent Tax Collections</b>
<b>2014-15</b>	4,463,179,149	344,291,093	339,731,930	7.61%	98.68%	0.98%
<b>2015-16</b>	4,944,651,360	330,545,207	326,823,894	6.61%	98.87%	1.13%
<b>2016-17</b>	5,278,067,434	359,152,852	346,454,876	6.56%	96.46%	1.89%
<b>2017-18</b>	5,719,021,680	355,579,401	345,863,202	6.05%	97.27%	1.86%
<b>2018-19</b>	6,070,435,575	402,557,998	394,623,618	6.50%	98.03%	1.46%
<b>2019-20</b>	6,512,388,164	385,721,931	378,492,815	5.81%	98.13%	1.74%
<b>2020-21</b>	6,920,087,868	422,454,897	413,409,481	5.97%	97.86%	1.80%
<b>2021-22</b>	7,314,546,442	388,627,914	381,445,431	5.21%	98.15%	1.72%
<b>2022-23</b>	7,864,532,264	442,920,966	419,645,159	5.34%	94.74%	1.90%
<b>2023-24</b>	8,264,592,427	457,964,599	449,123,076	5.43%	98.07%	1.68%

Source:

County of Santa Clara

**Note:**

The actual tax levy data for the City of Los Altos is not available because the Santa Clara County uses a factor known as the AB8 factors to apportion the 1% portion of the tax levies/collections to each of the jurisdictions within the county. The City's AB8 factors range from 0.0029 to 0.0033 for the past 10 years. Additionally, the City and the County adopted the "alternative method of property tax distributions" that authorizes the County to allocate 100% of the secured property tax based on levy instead of collection, and to retain all delinquent penalties and interest.

**City of Los Altos**  
**Direct and Overlapping Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of taxable value)*

Fiscal Year	Overlapping Rates (1)															Total
	Basic County-Wide	Santa Clara Retirement	County Library Retirement	Los Altos Elementary School	Mountain View Elementary School	Cupertino Elementary School	Whisman School Bond	Foothill-De Anza College	Mountain View Los Altos High School	Fremont Union High School	Santa Clara Valley Water District	Mid Peninsula Open Space	County Housing Bond	County Hospital Bonds	El Camino Hospital	
2014-15	1.0000	0.0388	0.0024	0.0524	-	0.0540	-	0.0276	0.0133	0.0396	0.0065	-	-	0.0091	0.0129	<b>1.2566</b>
2015-16	1.0000	0.0388	0.0024	0.0485	-	0.0519	-	0.0240	0.0119	0.0525	0.0057	0.0008	-	0.0088	0.0129	<b>1.2582</b>
2016-17	1.0000	0.0388	0.0024	0.0479	-	0.0509	-	0.0234	0.0112	0.0403	0.0086	0.0006	-	0.0086	0.0129	<b>1.2456</b>
2017-18	1.0000	0.0388	0.0024	0.0463	-	0.0496	-	0.0220	0.0107	0.0464	0.0062	0.0009	0.0127	0.0082	0.0100	<b>1.2542</b>
2018-19	1.0000	0.0388	0.0024	0.0449	-	0.0397	-	0.0217	0.0409	0.0430	0.0042	0.0018	0.0105	0.0072	0.0100	<b>1.2651</b>
2019-20	1.0000	0.0388	0.0024	0.0418	-	0.0415	-	0.0208	0.0365	0.0479	0.0041	0.0016	0.0100	0.0069	0.0100	<b>1.2623</b>
2020-21	1.0000	0.0388	0.0024	0.0713	-	0.0403	-	0.0364	0.0400	0.0478	0.0037	0.0015	-	0.0069	0.0100	<b>1.2991</b>
2021-22	1.0000	0.0388	0.0024	0.0511	-	-	-	0.0331	0.0278	-	0.0051	0.0015	0.0127	0.0061	0.0100	<b>1.1886</b>
2022-23	1.0000	0.0388	0.0024	0.0208	-	-	-	0.0291	0.0355	-	0.0044	0.0013	0.0108	0.0063	0.0090	<b>1.1584</b>
2023-24	1.0000	0.0388	0.0024	0.0195	-	-	-	0.0278	0.0310	-	0.0041	0.0012	0.0095	0.0055	0.0050	<b>1.1448</b>

Source:  
 Santa Clara County Auditor data, MuniServices, LLC, / Avenu Insights & Analytics

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Los Altos; however, not all of these overlapping rates apply to all Los Altos property owners.



**City of Los Altos**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Population (2)	Per Capita	Per Capita Personal Income (2)
	General Obligation Bond	Certificates of Participation (1)	Capital Lease (1)	Total				
2014-15	\$ -	\$ 1,565,000	\$ -	\$ 1,565,000	29,884	\$ 52	\$ 83,041	
2015-16	-	1,460,000	-	1,460,000	31,353	47	80,407	
2016-17	-	1,355,000	-	1,355,000	31,402	43	86,558	
2017-18	-	1,245,000	-	1,245,000	31,361	40	93,010	
2018-19	-	1,125,000	-	1,125,000	31,190	36	96,333	
2019-20	-	1,005,000	-	1,005,000	30,876	33	104,649	
2020-21	-	880,000	9,496,863	10,376,863	30,510	340	115,433	
2021-22	-	750,000	9,092,251	9,842,251	31,526	312	132,589	
2022-23	-	610,000	8,678,374	9,288,374	31,021	299	154,652	
2023-24	-	470,000	8,255,700	8,725,700	31,255	279	172,819	

Sources:

- (1) City of Los Altos Finance Department
- (2) MuniServices, LLC, / Avenu Insights & Analytics, U.S. Census Bureau

Note: Special Assessment Debt is no longer presented as they involve limited obligation bonds that are secured by ad valorem assessments and carry no city obligation.



**City of Los Altos**  
**Schedule of Direct and Overlapping Bonded Debt**  
**June 30, 2024**

**24 Assessed Valuation: \$21,621,096,145**

	<b>Total Debt</b>	<b>%</b>	<b>City's Share of</b>
	<b>6/30/2024</b>	<b>Applicable (1)</b>	<b>Debt 6/30/24</b>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Santa Clara County	\$ 956,770,000	3.276%	\$ 31,343,785
Foothill-De Anza Community College District	640,179,446	9.229%	59,082,161
Fremont Union High School District	737,130,088	3.910%	28,821,786
Mountain View-Los Altos Union High School District	261,055,373	23.331%	60,906,829
Cupertino Union School District	235,883,303	7.230%	17,054,363
Los Altos School District	132,000,000	52.478%	69,270,960
El Camino Hospital District	102,186,937	16.131%	16,483,775
Midpeninsula Regional Park District	80,700,000	5.322%	4,294,854
Santa Clara Valley Water District Benefit Assessment District	29,235,000	3.276%	957,739
City of Los Altos 1915 Act Bonds	435,000	100.000%	435,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 288,651,252</u>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Santa Clara County General Fund Obligations	\$ 1,057,709,440	3.276%	\$ 34,650,561
Santa Clara County Pension Obligation Bonds	323,733,582	3.276%	10,605,512
Santa Clara County Board of Education Certificates of Participation	12,073,098	3.276%	395,515
Mountain View-Los Altos Union High School District General Fund Obligations	1,452,406	23.331%	338,861
Cupertino Union School District General Fund Obligations	40,233,350	7.230%	2,908,871
Los Altos School District General Fund Obligations	1,191,066	52.478%	625,048
<b>City of Los Altos General Fund Obligations</b>	<b>8,725,700</b>	<b>100.000%</b>	<b>8,725,700</b>
Midpeninsula Regional Park District General Fund Obligations	79,795,600	5.322%	4,246,722
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 62,496,790</u>
Less: Santa Clara County supported obligations			87,142
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 62,409,648</u>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 8,725,700</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 342,422,342
TOTAL NET OVERLAPPING DEBT			\$ 342,335,200
GROSS COMBINED TOTAL DEBT			\$ 351,148,042 (2)
NET COMBINED TOTAL DEBT			\$ 351,060,900

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

**City of Los Altos**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Assessed Valuation (1)</b>	<b>Debt Limit 15% of Assessed Valuation</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>
<b>2014-15</b>	\$ 11,894,742,345	\$ 1,784,211,352	\$ -	\$ 1,784,211,352
<b>2015-16</b>	12,831,411,774	1,924,711,766	-	1,924,711,766
<b>2016-17</b>	13,713,091,004	2,056,963,651	-	2,056,963,651
<b>2017-18</b>	14,654,150,002	2,198,122,500	-	2,198,122,500
<b>2018-19</b>	15,720,232,198	2,358,034,830	-	2,358,034,830
<b>2019-20</b>	16,809,016,557	2,521,352,484	-	2,521,352,484
<b>2020-21</b>	17,975,243,547	2,696,286,532	-	2,696,286,532
<b>2021-22</b>	18,825,558,858	2,823,833,829	-	2,823,833,829
<b>2022-23</b>	20,377,566,619	3,056,634,993	-	3,056,634,993
<b>2023-24</b>	21,621,096,145	3,243,164,422	-	3,243,164,422

Source:

City of Los Altos Finance Department  
MuniServices, LLC

**City of Los Altos**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City Population</b> (1)	<b>Personal Income</b> <sup>(2)</sup>	<b>Per Capita Personal Income</b> <sup>(2)</sup>	<b>County Unemployment Rate (%)</b> <sup>(3)</sup>	<b>City Unemployment Rate(%)</b> <sup>(3)</sup>	<b>Median Age</b> (4)	<b>% with High School Degree</b> <sup>(4)</sup>	<b>% with Bachelors Degree</b> <sup>(4)</sup>	<b>Public School Enrollment</b> <sup>(5)</sup>
<b>2014-15</b>	29,884	2,481,597	83,041	3.8%	3.4%	46.2	98.80%	78.70%	8,284
<b>2015-16</b>	31,353	2,521,001	80,407	4.2%	2.7%	46.2	98.70%	79.00%	8,666
<b>2016-17</b>	31,402	2,718,094	86,558	3.8%	2.4%	45.7	98.70%	80.00%	8,606
<b>2017-18</b>	31,361	2,916,887	93,010	2.6%	1.6%	45.7	98.70%	80.90%	8,685
<b>2018-19</b>	31,190	3,004,626	96,333	2.1%	2.4%	45.9	98.60%	82.30%	8,610
<b>2019-20</b>	30,876	3,231,143	104,649	11.0%	2.3%	45.8	98.60%	82.60%	8,513
<b>2020-21</b>	30,510	3,521,861	115,433	7.0%	4.2%	46.1	98.40%	84.20%	7,693
<b>2021-22</b>	31,526	4,179,995	132,589	1.8%	1.4%	45.7	98.50%	87.60%	7,886
<b>2022-23</b>	31,021	4,797,450	154,652	3.2%	3.2%	45.8	99.00%	85.90%	7,803
<b>2023-24</b>	31,255	5,401,455	172,819	3.4%	3.2%	46.0	99.00%	87.20%	7,767

Source: MuniServices, LLC, / Avenu Insights & Analytics, U.S. Census Bureau

Source: FY2023 and prior years, 2023 Los Altos - ACFR Publication

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Per Capita Income Data is provided by the United States Census Data and is adjusted for inflation.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) Data provided by the United States Census Data Sets Tables.
- 5.) Student Enrollment reflects the total number of students enrolled in Los Altos Elementary and Mountain View-Los Altos Union High.

**City of Los Altos**  
**Principal Employers**  
**Current Year and Six Years Ago**

Employer	2023-24			2017-2018 (Latest Available)		
	Number of Employees (1)	Rank	% of Total City Employment	Number of Employees	Rank	% of Total City Employment
Los Altos School District	437	1	3.01%	568	1	4.26%
Los Altos Sub-Acute & Rehabilitation Center	241	2	1.66%			
Toyota Research Institute (HQ)	231	3	1.59%			
Los Altos High School	213	4	1.47%	217	3	1.63%
Los Altos Golf & Country Club	193	5	1.33%			
Whole Foods Market	190	6	1.31%	242	2	1.81%
The David and Lucile Packard Foundation	151	7	1.04%	100	9	0.75%
City of Los Altos	136	8	0.94%	133	5	1.00%
Palo Alto Medical Foundation - Los Altos Center*	110	9	0.76%	135	4	1.01%
Adobe Animal Hospital	105	10	0.72%	129	7	0.97%
Compass (formerly Alain Pinel Realtors)*				107	8	0.80%
Coldwell Banker				130	6	0.97%
Trader Joes				71	10	0.53%
Top Ten Total	<u>2,007</u>		<u>13.84%</u>	<u>1,832</u>		<u>13.73%</u>
Total City Labor Force	<u>14,500</u> (1)			<u>13,341</u>		

Source: MuniServices, LLC, / Avenu Insights & Analytics  
 Source: 2018 data, from prior published ACFR. Historical data unavailable  
 Results based on direct correspondence with city’s local businesses.  
 (1) Total City Labor Force provided by EDD Labor Force Data.

Notes:  
 Results based on direct correspondence with city’s local businesses.  
 \*Employer has not responded to Avenu’s employee count inquires, prior year count applied.

# City of Los Altos

## Full-time Equivalent City Employees by Function/Program

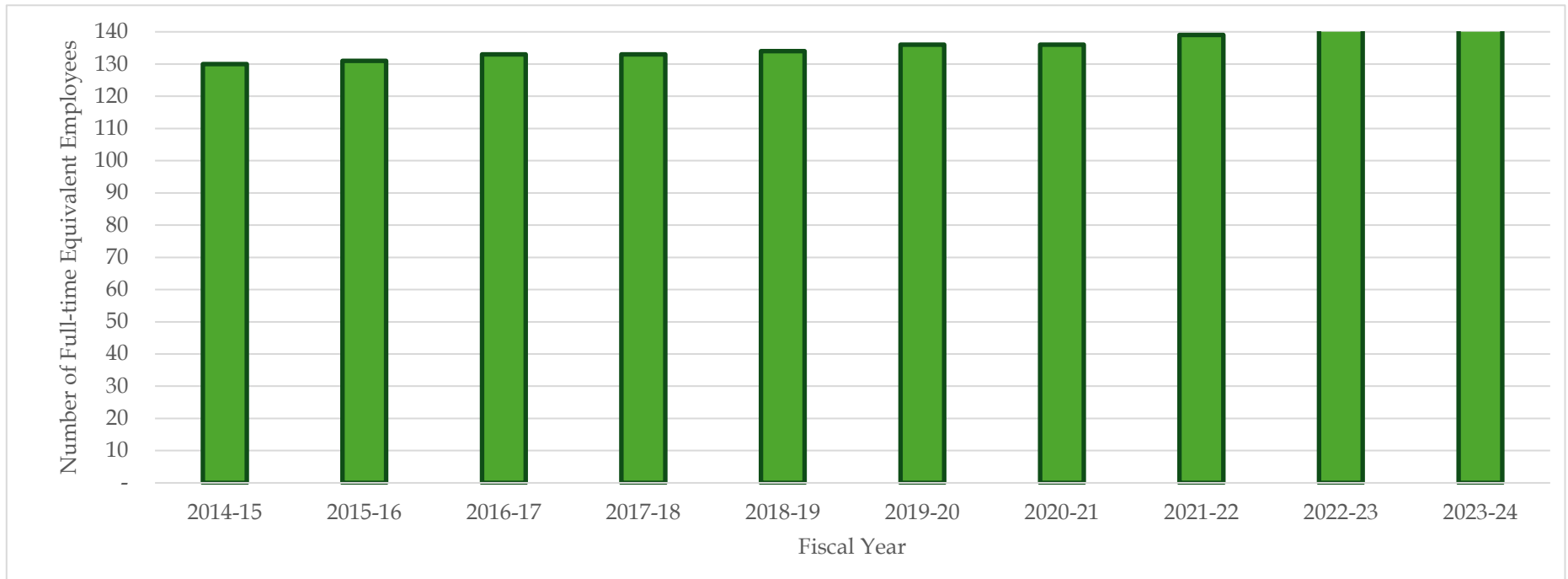
### Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Public Safety</i>										
Police Operations	32.00	31.00	31.00	31.00	31.00	30.00	30.00	29.00	29.00	29.00
Police Traffic Safety	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	6.00
Communications	11.00	11.00	11.00	11.00	11.00	13.00	13.00	13.00	13.00	12.00
<i>Maintenance Services</i>	29.50	29.50	29.50	29.50	28.00	27.00	27.00	27.00	26.00	22.73
<i>Recreation</i>	7.00	8.00	8.00	8.00	8.00	8.00	8.00	10.00	11.00	10.80
<i>Community Development</i>										
Planning & Building	14.00	14.00	15.00	15.00	14.00	15.00	15.00	16.00	16.00	16.70
Engineering	9.00	9.00	10.00	10.00	12.25	13.25	13.25	12.25	13.75	14.09
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Administration</i>										
City Management	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00
Administration & Finance	10.00	12.00	12.00	12.00	11.00	11.00	11.00	13.00	17.00	18.00
<i>Sewer</i>	6.25	6.25	6.25	6.25	7.50	7.50	7.50	7.50	5.00	6.40
<i>Solid Waste</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	5.28
<i>Storm Drain</i>	1.00	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>130.00</b>	<b>131.00</b>	<b>133.00</b>	<b>133.00</b>	<b>134.00</b>	<b>136.00</b>	<b>136.00</b>	<b>139.00</b>	<b>143.00</b>	<b>149.00</b>

Source:

City of Los Altos Finance Department

**City of Los Altos**  
**Full-time Equivalent City Employees**  
**Last Ten Fiscal Years**



Source:  
City of Los Altos

# City of Los Altos

## Operating Indicators by Function/Program

### Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Police:</i>										
Arrests	312	222	210	211	717	893	347	132	148	200
Moving citations issued	1,555	1,757	982	1,203	2,517	1474	1053	510	649	572
Parking citations issued	2,266	3,138	2,431	1,879	1,338	1573	543	1483	1,425	1,364
Municipal code violations issued	109	103	25	115	116	54	54	31	20	20
<i>Public Works:</i>										
Crack sealing in lineal feet	113,784	101,040	110,000	174,040	-	120,000	45,536	80,446	40,300	77,001
Street sign installed and replaced	596	457	100	320	1,025	1200	411	398	285	125
<i>Recreation:</i>										
Classes/ programs	2,713	2,107	2,349	2,724	1,803	1559	1298	2164	3,749	3,430
Facility rentals	5,648	5,378	5,927	4,141	4,044	2246	1269	1108	1,321	1,475
Field/gymnasium permits	4,509	2,795	3,433	3,556	3,109	2383	1935	2633	1,667	1,769
<i>Planning:</i>										
Plan applications submitted	757	800	675	686	988	493	935	938	743	580
<i>Building:</i>										
Permits issued	1,751	1,927	1,769	1,795	1,939	1,695	2,036	1,897	2,068	1,944
Plan checks submitted	582	599	619	569	619	883	991	1036	2,325	1,781
Inspections	7,227	7,517	6,445	6,479	7,967	7,920	8,862	9,054	9,980	9,989
<i>Sewer:</i>										
Cleaning and flushing in lineal feet	683,552	759,456	585,273	713,795	585,095	601,543	768,557	681,779	511,577	483,534
<i>Storm Drain:</i>										
Catch basin/storm drain cleaned (measured in storm inlets cleaned)	1,350	1,350	1,350	1,350	1,350	2,000	1,350	1,500	1,500	1,350

Sources:

City of Los Altos Quarterly Reports.

Data for all fiscal years was provided by the corresponding departments.

Note:

(1) Data reflect uses instead of reservation.

(2) Change in reporting from reported to issued

**City of Los Altos**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	FISCAL YEAR									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Public Safety:</i>										
Police Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<i>Recreation:</i>										
Number of Parks	10	10	10	10	10	10	10	10	10	10
Park Acreage	38	38	38	38	38	38	38	38	38	38
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Number of History Museums	1	1	1	1	1	1	1	1	1	1
<i>Maintenance Services:</i>										
Miles of Streets	127	127	127	127	127	127	127	127	127	127
Number of Traffic Signals	13	13	13	16	16	16	16	16	16	16
<i>Sewer:</i>										
Miles of Sewer Mains	141	141	141	141	141	141	141	141	141	141
<i>Storm Drain:</i>										
Miles of Storm Drain Mains	58	58	58	58	58	58	58	58	58	55

Source:  
City of Los Altos



**City of Los Altos**  
**Trust and Agency Debt Administration**  
**Last Ten Fiscal Years**

**Non-City Obligation Debt**  
**Special Assessment Debt Service**

Fiscal Year	Avalon Dr. Curb & Gutter			Raymundo Curb & Gutter			Blue Oak Lane Sewer			Total Special Assessment Debt Service			
	Special	Principal	Interest	Special	Principal	Interest	Special	Principal	Interest	Special	Principal	Interest	Coverage
2014-15	\$ -	\$ 18,620	\$ 783	\$ 27,216	\$ 19,000	\$ 6,626	\$ 50,280	\$ 15,000	\$ 31,241	\$ 77,496	\$ 52,620	\$ 38,650	0.85
2015-16	-	-	-	29,592	20,000	5,719	48,024	15,000	30,741	77,616	35,000	36,460	1.09
2016-17	-	-	-	26,192	21,000	4,766	51,709	15,000	30,197	77,901	36,000	34,963	1.10
2017-18	-	-	-	26,217	21,000	3,790	49,802	15,000	29,610	76,019	36,000	33,400	1.10
2018-19	-	-	-	28,537	22,000	2,790	48,378	15,000	28,971	76,915	37,000	31,761	1.12
2019-20	-	-	-	27,741	23,999	1,721	47,868	15,000	28,341	75,609	38,999	30,062	1.09
2020-21	-	-	-	25,581	25,000	581	48,691	15,000	27,648	74,272	40,000	28,229	1.09
2021-22	-	-	-	-	-	-	47,993	15,000	26,926	47,993	15,000	26,926	1.14
2022-23	-	-	-	-	-	-	52,509	15,000	26,185	52,509	15,000	26,185	1.27
2023-24	-	-	-	-	-	-	52,696	20,000	25,298	52,696	20,000	25,298	1.16

Source:  
City of Los Altos Finance Department

**Note : This chart presents Limited Obligation Debt that the City Administers on a trust and Agency Basis. This debt does not represent City Obligations.**

(1) included assessment payments in advance for Avalon Dr Curb & Gutter Special Assessment.