



City of San Bruno, California

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

(with comparative totals for the Fiscal Year Ended June 30, 2021)



CITY OF SAN BRUNO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by:
Finance Department

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Annual Comprehensive Financial Report
For the year ended June 30, 2022

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Introductory Section

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April 26, 2023

Honorable Mayor and Members of the City Council
City of San Bruno
San Bruno, CA 94066

Dear Mayor, Members of the City Council, and Residents of the City of San Bruno, California:

The Annual Comprehensive Financial Report (ACFR) of the City of San Bruno (City) for the fiscal year ended June 30, 2022, is herewith submitted. The City compiles and assists in the preparation of the ACFR covering the financial condition and results of operations for the City. Responsibility for the accuracy of the presented data, and the completeness and fairness of the presentation, including all footnotes and disclosures, rests with the management of the City. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City.

FINANCIAL STATEMENT PRESENTATION

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America for state and local governments as promulgated by the Government Accounting Standards Board (GASB) and includes all disclosures necessary for readers to gain an understanding of the financial activities of the City.

The ability to produce a timely and accurate ACFR depends upon the adequacy of the internal controls of the City. Regarding timeliness of information, this ACFR has been significantly delayed primarily due to unfilled positions at the City. However, the accuracy of the information presented in this ACFR has not been compromised. To provide a reasonable basis for making these representations, management of the City made a commitment to establish a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Management is responsible for establishing and maintaining adequate internal controls in the City. As such, management made a commitment to establish a framework designed to provide reasonable rather than absolute assurance regarding the achievement of objectives in the following categories: (a) efficiency and effectiveness of operations; (b) reliability of financial reporting, and (c) compliance with applicable laws and regulations. Reasonable assurance is defined as a high, but not absolute, level of assurance about whether the representations are free of material misstatement. Internal controls cannot provide absolute level of assurance due to certain inherent limitations, such as errors in judgment, collusion, or management override of controls.

The City's financial statements for the fiscal year ending June 30, 2022 have been audited by Badawi and Associates, a public accounting firm licensed and qualified to perform audits of local governments within the State of California. The audit was conducted in accordance with auditing standards

generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies, including compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the United States Office of Management and Budget (OMB). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City’s separately issued Single Audit Report (issued in April 2023).

This letter of transmittal is designed to complement the Management’s Discussion and Analysis (MD&A), and therefore, does not discuss the financial operations and results of the City, which are fully discussed in the MD&A. For that reason, this letter should be read in conjunction with the MD&A in order to gain better understanding of the financial conditions of the City.

This ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City’s organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the combined financial statements and schedules, the independent auditor’s report on these financial statements and schedules, and management’s discussion and analysis (MD&A). The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The independent auditor’s report is presented as the first component of the financial section of the ACFR, followed by the MD&A, which provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the Independent Auditor’s Report.

CITY PROFILE & SERVICES

With a population currently estimated at 44,015, San Bruno is 209th largest city in California and the fifth largest city in San Mateo County. San Bruno is located on the San Francisco Peninsula, approximately 12 miles south of Downtown San Francisco. The city covers a total land area of 5.5 square miles, located between South San Francisco and Millbrae, and immediately adjacent to the San Francisco International Airport and Golden Gate National Cemetery. San Bruno serves as a major transportation center, with immediate access to major interstate freeways, including 101, 280 and 380; and commuter rail lines, such as Caltrain and Bay Area Rapid Transit (BART). San Bruno is adjacent to San Francisco International Airport, which can be accessed using BART or US 101. However, the other major San Francisco Bay Area airports (Oakland and San Jose) are accessible from San Bruno via BART, for the former, and Caltrain plus VTA services, for the latter. The community has more than 12,000 homes and residences of all types; and vast opportunities for commercial and industrial development. Major commercial facilities include Google, Amazon, Walmart, and Tanforan Crossing.

City Structure

San Bruno is a general law city incorporated in 1914 that operates under the council-manager form of government. Policy-making and legislative authorities are vested in the City Council consisting of the

mayor and four other members. City Council members are elected at large for staggered four-year terms, and the Mayor is elected for a two-year term. The Mayor and City Council serve as the legislative and policy-making body of the City government and are responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management. The City Manager is responsible for the daily administration of the policies and ordinances of the City Council, providing overall direction to all City Departments, and appointing department directors.

City Services

The City provides a wide range of services to its residents including public safety protection through Police and Fire; the construction and maintenance of streets and infrastructure including water, sewer, and stormwater services; community development through planning, building inspection, code enforcement, and redevelopment of key city areas; parks maintenance and full recreation services; library services; cable television and broadband internet services; and financial management and administration of the overall organization. Other entities within the city-incorporated area provide service to the City's population even though the City may not exercise oversight responsibility or fiscal control over such entities; these entities include school districts and other special districts. The City employs 263 full-time equivalent positions.

Financial Reporting Entity

For financial reporting purposes, the reporting entity of the City consists of: (1) the primary government; (2) one discretely presented component unit: San Bruno Public Financing Authority; and (3) two blended component units: Successor Agency to the San Bruno Redevelopment Agency Trust Fund, and the Recology San Bruno Custodial Fund, for which the City Council is financially accountable for; therefore, these component unit activities are included in the accompanying basic financial statements. The San Bruno Community Foundation is considered a related organization because the City is not financially accountable for its operations. Furthermore, the City has an equity interest via participation in a number of joint ventures, which exist due to joint exercise of power agreements. The complete financial activities have not been included for these entities as the City Council is not financially accountable for them. The funds and accounts for all agencies, boards, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1, on page 53 of the Notes to the Basic Financial Statements.

Budgetary Information

Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year.

Budgetary Controls

The City utilizes budgetary controls designed to monitor compliance with expenditure limitations and legal provisions embodied in the annual operating and capital budget approved by the City Council. The annual operating and capital budget serves as the foundation for the City's financial planning and control. All departments and divisions are required to submit requests for appropriations to the City Manager. These requests are used as the starting point for developing a proposed operating and capital budget. The City Manager and Finance Director then present the proposed budget for the City Council's review. The City Council is required to hold a public hearing on the proposed budget and adopt a final budget no later than June 30, the last day of each fiscal year. Activities of all funds, except fiduciary funds, are included in the Annual Operating and Capital Budget. The City also adopts a five-year capital improvement program, appropriating the current year's expenditures in the annual budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Manager may authorize transfers of appropriations in the adopted budget within funds; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Quarterly financial reports are presented to the City Council to assess and evaluate budget variances during the year. Budget amendments requiring a change in appropriations require approval by the City Council and are submitted as needed during the course of the fiscal year. Budgets for the General, Major Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The annual budget is assigned specific accounting attributes and is uploaded into the accounting system, thereby establishing the budget authority. The budget authority established in the accounting system of record is then reconciled to the levels of funding authorized by the Adopted Budget.

In addition, the City used encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system for the City in order to reserve the portion of the related appropriation that will be needed for the expenditure to ensure that expenditures are within the budgeted amounts. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Project Funds or the Special Revenue Funds.

Fund Balance Reserves

Reserve Policies: In complying with the provisions of GASB Statement 54 (fund balance reporting and fund type definitions), the City assigns a portion of its General Fund balance to reserve designations that include Contingency, Emergency Disaster and Capital Improvement/One-Time Initiative Reserve. The City's Reserves Policy designates the General Fund reserves for economic uncertainty, capital improvements, as well as the reserve for the internal service funds, which includes Central Garage, Buildings and Facilities, and Technology. Per policy, the General Fund reserves target should be no less than three months of city operating costs with an initial deposit of 20% of General Fund expenditures or at least 25% of budgeted General Fund expenditures. While further delineated in the accompanying MD&A, at the end of fiscal year 2022, the unassigned fund balance of the General Fund was \$5.2 million, while the total fund balance was \$47.0 million (includes non-cash outstanding receivables of \$10.6 million and \$.8 million in Measure G Sales Tax cash balance). The unassigned fund balance represents 10.6% of total General Fund expenditures of \$49.6 million (including Transfers Out).

General Fund Contingency Fund – The General Fund Contingency Fund has a target fund balance of \$1.5 million. This fund can be utilized through resolution of the City Council for any appropriation deemed appropriate.

General Fund Reserve – The General Reserve Fund has a target fund balance of 25% of the budgeted General Fund expenditures. The General Fund Reserve Fund balance shall not fall below 15% of General Fund operating expenditures except in a declaration of emergency.

Emergency Disaster Reserve – An Emergency Disaster Reserve has a target fund balance of \$3 million. This fund is intended to be utilized in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget.

Capital Improvement Reserve – A Capital Improvement Reserve Fund has an initial fund balance of \$5 million. While this fund has an initial goal of \$5 million, funds shall continue to be added to this fund until it has reached a fund balance of \$8 million.

Central Garage Reserve – The Central Garage Reserve has a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency.

Building and Facilities Reserve – The Buildings and Facilities Reserve has a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency.

Technology Reserve – The Technology Reserve has a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency.

City Accounting and Financial System

The accounting system of the City is organized and maintained on a fund basis. A fund is a separate, distinct accounting entity that has its own assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. The City uses GAAP when determining the types of funds to establish and sound financial management practices when determining the number of funds within each fund type.

Measurement Focus and Basis of Accounting

The financial statements for the City are prepared in accordance with GAAP. Accordingly, the measurement focus and basis of accounting applied in the preparation of the government-wide financial statements and fund financial statements are as follows:

- The government-wide financial statements focus on all of the economic resources of the City and are prepared using the full accrual basis of accounting. The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources and are prepared using the modified accrual basis of accounting.
- Proprietary funds, pension trust funds, Other Employee Benefits Trust Funds, and other fiduciary funds are accounted for in the same manner as business enterprises, which use the full accrual basis of accounting.

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is best understood when it is considered within the broader perspective of the specific environment in the City of San Bruno.

Local Economy

The City's geographic location is in close proximity to Silicon Valley which significantly elevates its economic position and makes San Bruno a highly desirable location for businesses and residents. The City is located at the intersection of three major interstate freeways (Highway 101, Interstate 380, and Interstate 280), making the City easily accessible from San Francisco to the north and from Silicon Valley to the south. The City also has Bay Area Rapid Transit (BART) and Caltrain stations located within its limits, making it readily accessible via public transportation. In addition, the San Francisco International Airport is immediately adjacent to the City making it a popular destination for business travelers and tourists.

The City has made significant improvements towards a healthy recovery from the effects of COVID pandemic during the 2022 fiscal year. With the federal assistance (\$10.2 million) from the American Rescue Plan Act (ARPA), the City has worked diligently with local businesses to help in keeping their doors open for business, as well as the funding programs to stimulate the local economy and restore some city services. Nine previously frozen positions were restored, and nine new positions were added to the City team. ARPA fund is expected to exhaust by December 31, 2024. Despite the pandemic, San Bruno has seen a year over year increase in its assessed valuation in 2022.

Long-term Perspective

The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. The City worked diligently to reduce the level of reserves used during FY 2022 and will continue to do so moving forward while the effects from the COVID-19 pandemic continue. While the City has consistently worked to balance its budget, the City must continue this effort and make additional adjustments to its general fund expenditures to address and resolve an ongoing structural deficit largely driven by rising employee benefit costs.

The City employs long-term planning as the framework for its fiscal decisions and recently updated its forecasting model to provide a comprehensive and agile tool projecting the City's finances for a five-year period for the General Fund as well as other key operating funds. While the General Fund structural budget gap has been greatly reduced as compared to years past, the City continues its efforts to eliminate structural gaps and achieve a more stable fiscal outlook on a long-term basis.

While San Bruno's underlying economy is viewed as stable and positive in the long-term, today's economic challenges, notably to the City's General Fund, must be dealt with immediately to ensure long-term economic stability. The other enormous challenge is continuing to provide an ever-increasing high level of service to the community with limited resources and rising employee benefit costs – while ensuring long-term economic stability.

Long Range Financial Planning: The City continues to refine its long-range financial planning tools as part of managing the annual budget for the General Fund, other key revenue funds such as internal service and enterprise funds, and the Capital Improvement Program. Utilizing a five-year approach has helped the City identify and plan accordingly to manage potential future structural deficits.

Long-term Debt Ratings: The City maintains excellent ratings on its debt issuances. In recent fiscal years, the City has received high ratings, including a AAA rating from Standard & Poor for the 2013 Taxable Pension Obligation Bonds and a AA+ rating for the 2017 Water Revenue Bonds, 2017 Wastewater Revenue Bonds, 2017 Water Revenue Bonds and 2019 Lease Revenue Bonds. A critical component of the rating

agency review is the City's financial management status, i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

Debt Administration: The City has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt. As of June 30, 2022, the City had total debt outstanding of \$51.3 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

Long-term Planning: One of the financial policies noted above outlines the City's goals related to long-range financial forecasting. The City annually prepares and adopts a five-year financial plan for the General Fund as part of the operating budget. In addition, the City maintains long-range forecasting models for other key operating funds, including a capital improvement program plan. Each fiscal year, the City develops a five-year Capital Improvement Program (CIP) plan that details specific budgeted capital projects. Each of the projects is consistent with the overall goals and principles of the City Council and includes planned capital projects in the areas of parks, stormwater drainage, water and wastewater infrastructure, maintenance of streets, and City's facilities improvements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding.

Cash Management: The City's investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. As of June 30, 2022, the City manages and balances the City's pooled cash portfolio of \$149.8 million market value, with the overall yield within policy guidelines.

MAJOR INITIATIVES & ACCOMPLISHMENTS

The San Bruno City Council established the following seven critical priorities to move the community forward:

- (1) Implementation of the Transit Corridor Vision to Revitalize Downtown and Commercial Corridor
- (2) Assure Rehabilitation & Replacement of Critical Community Facilities and Infrastructure
- (3) Grow City Revenues to Assure On-Going Fiscal Stability and Economic Vitality
- (4) Continue to Strengthen Community Connections and Engagement
- (5) Protect and Improve Community Aesthetics and Safety
- (6) Continue Proactive Planning for the Future of San Bruno
- (7) Organizational Health and Employee Success.

The management team has aligned its service delivery objectives and program priorities through the budget planning process, and with City Council direction and the strategic Priorities. Some of the accomplishments and ongoing efforts in these Priority areas are discussed below.

Capital Improvement Program

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP). The capital budget for FY2022 totaled approximately \$86.5 million, with \$238.2 million tentatively programmed for the entire five-year period from FY2022 through FY2026. The City's CIP Projects predominantly support the Infrastructure Improvement Priority. Despite the global economic challenges, the City made major steps forward in all areas of the City's operation that directly address the City Council's established long-term objectives. Some of the accomplishments the City achieved in FY 2021-22 include:

- **Constructing a New Recreation and Aquatic Center:** The new facilities will replace Veterans Memorial Recreation Center and the adjacent community swimming pool that have served generations of San Bruno residents for over six decades. The San Bruno Community Foundation has pledged \$50 million in restitution funding to turn the community's vision into reality over the next three years. The City has selected a contractor to construct the building and the project is expected to complete the project in late fall 2023.
- **Implementation of the Transit Corridors Plan:** The modern transit-oriented residential and commercial project will transform of the community's commercial corridor and downtown consistent with the City's adopted Transit Corridor Plan.
- **Water and Sewer Infrastructure Maintenance:** The City completed full replacement of the underground water and sewer mainlines throughout the City. These projects were delivered on time and within budget, and were completed with minimal disruption to business activity in the downtown and other areas throughout the City. This will assure reliable service to an area previously impacted by service failures due to aged, damaged, and deteriorating underground pipelines.
- **Bayhill Specific Plan:** The Bayhill Office Park houses Walmart.com and YouTube, two of the City's largest employers, and includes office space expansion, creation of a private multi-modal transportation hub and a housing overlay.
- **Fiber-to-the-Home in Large Multi-unit Developments:** Installation of a new FTTH network at the Shelter Creek, Peninsula Place and Crystal Springs Terrance apartment multi-family complexes showed 68% subscriber penetration, with strong, reliable network and data speeds of up to 1 gigabyte available to over 2,400 residences in San Bruno. During the coming year the City Council will need to determine whether to continue this initiative or to pursue an alternative strategy for the future of San Bruno CityNet Services.
- **YouTube Development:** The plan will build 440,000 square feet of new office space on an existing surface parking lots adjacent to existing buildings at 900 and 1000 Cherry Avenue.
- **Sale of the Crossing Property:** Once the dealership is built and fully operational, it is estimated to generate \$1 million annually in sales tax, plus property tax on new assessed value.
- **Reimaging Tanforan:** In early 2022, Alexandria Real Estate purchased the 44-acre Tanforan shopping center cite. A master plan of a modern, mixed-use development plan is under making to include offices, hotels, retail, entertainment and a minimum of 1,000 housing units.

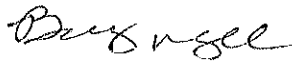
Awards

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 the ACFR for the fiscal year ended June 30, 2021. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Acknowledgments

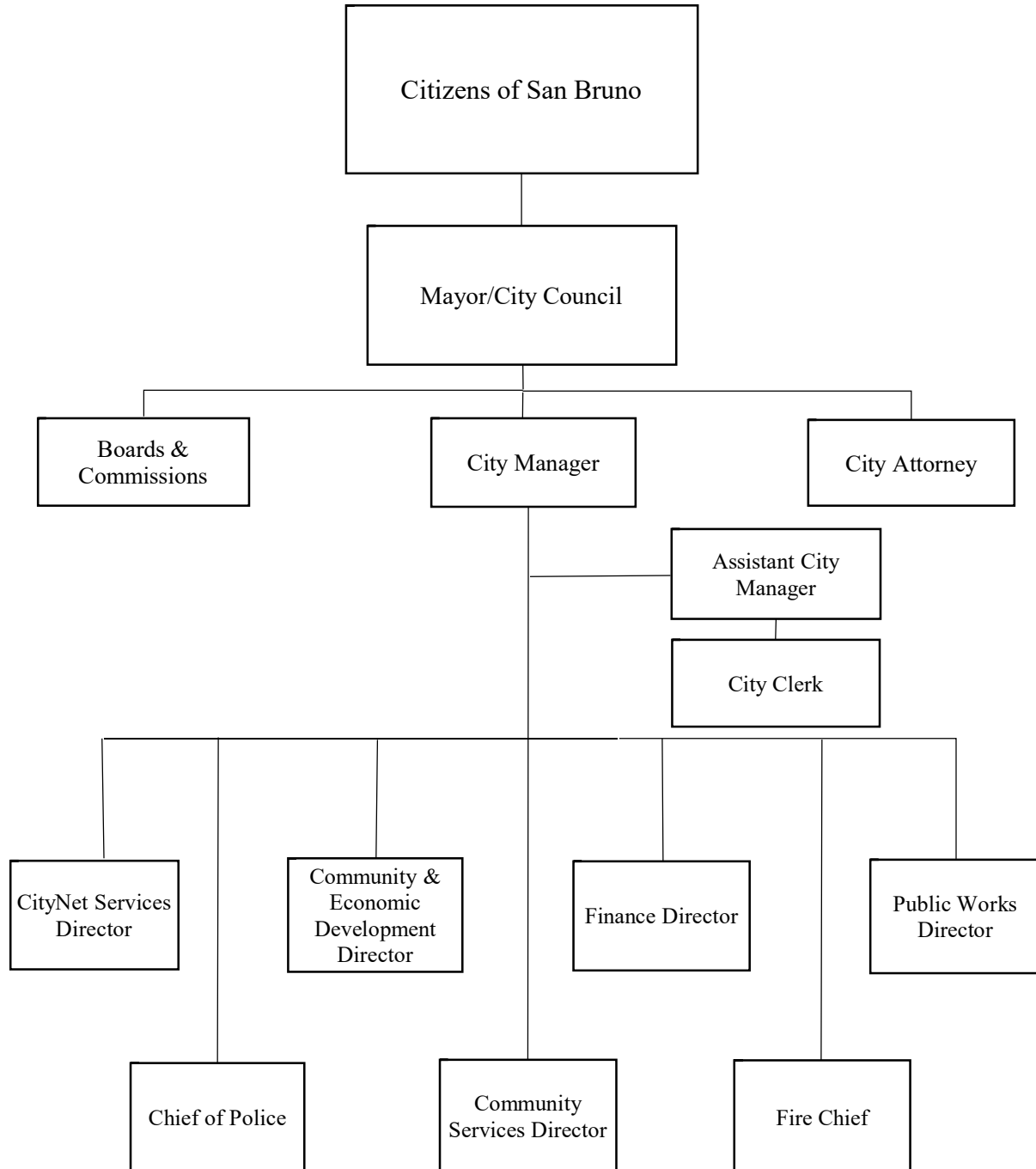
The issuance of this report would not have been possible without the leadership and commitment to the high standards embodied in this report by the City Council, the Mayor, and the City Manager. In addition, the efforts of the entire Finance Department staff, as well as the audit firm of Badawi & Associates is specifically recognized for the long hours that were required to complete this document. Finally, the staff of the entire Finance Department also wishes to express its appreciation to each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



Bobby Magee
Interim Finance Director

CITY OF SAN BRUNO ORGANIZATION CHART



Directory of Officials

Elected Officials

Rico E. Medina
Linda Mason
Marty Medina
Tom Hamilton
Michael Salazar

Mayor
Vice Mayor
Council Member
Council Member
Council Member

Administrative Personnel

Jovan D. Grogan
Jennifer Brizel
Marc Zafferano
Qianyu Sun
Pamela Wu
Ann Mottola
Ari Delay
Ryan Johansen
Matthew Lee
Sandeep Krishnamurthy
Melissa Thurman

City Manager
Assistant City Manager
City Attorney
Finance Director
Community & Economic Development Director
Community Services Director
Fire Chief
Police Chief
Public Works Director
CityNet Services Director
City Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Bruno
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of San Bruno
San Bruno, 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 San Bruno (City), as of and for the year ended June 30, 2022, 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, 2022, 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.

Emphasis of Matter - CityNet Fund Going Concern

The accompanying financial statements have been prepared assuming that the CityNet Fund (CityNet) will continue as a going concern. As discussed in Note 12 to the financial statements, CityNet's recurring losses from operations, deficit net position, and continual borrowing from the General Fund to pay its liabilities raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinions are not modified with respect to this matter.

Emphasis of Matter - Stormwater Fund Going Concern

The accompanying financial statements have been prepared assuming that the Stormwater Fund will continue as a going concern. As discussed in Note 12 to the financial statements, the Stormwater Fund has had recurring losses from operations, and transfers in from the General Fund to maintain a positive unrestricted net position. This raises substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinions are not modified with respect to this matter.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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, budgetary comparison schedules for the General Fund, and the required pension schedules on pages 5-21 and 101-109 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining General Fund statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities Capital Improvement Fund and nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining General Fund statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities Capital Improvement Fund and 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 combining General Fund statements,

To the Honorable Mayor and Members of the City Council
of the City of San Bruno
San Bruno, California
Page 4

combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities Capital Improvement Fund and 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 Sections included in the annual comprehensive financial report 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.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the City's June 30, 2021 financial statements. The prior year financial statements of the City as of and for the year ended June 30, 2021, were audited by other auditors whose report dated December 21, 2021, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Badawi & Associates, CPAs
Berkeley, California
April 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

The Management's Discussion and Analysis (MD&A) provides an overview of the City of San Bruno's activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to present a full picture of the City's financial performance. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their overall understanding.

Financial Highlights for Fiscal Year 2021-22

Entity-wide:

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2022 by \$194.4 million (net position). The City's net position increased \$32.5 million, or 20.1%, from the previous fiscal year.
- The City's governmental activities program and general revenues (including transfers) of \$76.5 million exceeded expenses of \$57.3 million by \$19.2 million, increasing net position to \$63.9 million.
- The City's business-type activities program revenues and general revenues (including transfers) from the four enterprise operations of \$45.8 million were greater than expenses of \$35.7 million by \$10.1 million, increasing net position to \$130.4 million.

Fund level:

- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$63.4 million, an increase of \$5.2 million or 9.1% compared to the prior year. Of this amount, \$15.3 million is non-spendable, \$53.4 million is restricted, \$26.0 million is assigned, and \$(31.4) million is unassigned.
- Revenues for governmental funds exceeded expenditures by \$5.3 million. Tax revenue grew \$8.7 million, or 24.5 %, from the prior year. Expenditures for governmental funds increased \$17.9 million, or 32.8%, from the prior year mainly due to increased capital outlay spending.

Detailed analysis can be found under the Government-wide Financial Analysis Section and Financial Analysis of the City's Funds Section

Overview of Financial Statements

This discussion and analysis serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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.

Government-wide financial statements are designed to provide readers a broad overview of the City finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of 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 consist of general government, public safety, public works, streets, parks and recreation, library and community and economic development. The business-type activities of the City include water, stormwater, wastewater, and cable television.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. A fund is a grouping of related accounts 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 of 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. Unlike 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 the City'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 City's near-term financing decisions. Both the governmental fund balance sheet and the 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 nineteen 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 and Parks and Facilities Capital Improvement Fund, which are considered to be a major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combined statements in the Supplementary Information section of this report.

The City adopts an annual appropriated budget for its general fund and most governmental funds. A budgetary comparison statement has been provided for all major and non-major funds (with adopted budgets) in governmental activities to demonstrate compliance with this budget.

The governmental fund financial statements can be found on page 34 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, stormwater, wastewater, and CityNet services. CityNet is a municipally owned and operated enterprise for cable television, internet, and other services.

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 central garage, self-insurance, technology

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

development, and facilities maintenance activities. Because these services predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for all of the City's proprietary funds as they are all considered to be major funds by the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary financial statements. More detailed information for the internal service funds is provided in the form of combined statements elsewhere in the report.

The proprietary fund financial statements can be found on page 40 of this report.

Fiduciary funds. Trust and custodial funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes the Recology San Bruno Custodial Fund to account for funds billed, collected, and remitted to the company for waste management services within the City. In addition to the custodial fund, the Successor Agency to the San Bruno Redevelopment Agency Trust Fund was created as a result of the California Supreme Court decision on December 29, 2011 upholding ABx1 26, which eliminated all redevelopment agencies in California and created a process for winding down their operations. Both funds report a "balance sheet" referred to as a statement of fiduciary net position and an "income statement" referred to as a statement of changes in fiduciary net position.

The fiduciary fund financial statements can be found on page 48 of this report.

Notes to the Basic Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 53 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 99 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on page 114 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$194.4 million at the close of fiscal year 2021-22.

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 88,685,755	\$ 72,767,674	\$ 89,014,367	\$ 80,520,946	\$ 177,700,122	\$ 153,288,620
Capital assets, net	82,484,186	69,544,443	102,590,132	105,046,800	185,074,318	174,591,243
Other noncurrent assets	3,177,900	-	-	-	3,177,900	0
Total assets	<u>174,347,841</u>	<u>142,312,117</u>	<u>191,604,499</u>	<u>185,567,746</u>	<u>365,952,340</u>	<u>327,879,863</u>
Deferred outflows of resources	17,412,205	16,656,156	2,059,945	2,270,964	19,472,150	18,927,120
Current liabilities	27,881,914	15,582,710	5,626,838	6,567,338	33,508,752	22,150,048
Noncurrent liabilities	68,415,889	99,502,943	53,766,588	60,927,054	122,182,477	160,429,997
Total liabilities	<u>96,297,803</u>	<u>115,085,653</u>	<u>59,393,426</u>	<u>67,494,392</u>	<u>155,691,229</u>	<u>182,580,045</u>
Deferred inflows of resources	31,522,751	2,389,141	3,860,417	-	35,383,168	2,389,141
Net Position						
Net investment in capital assets	80,545,096	68,788,202	58,458,807	58,800,601	139,003,903	127,588,803
Restricted	53,426,528	22,782,488	1,918,591	4,123,199	55,345,119	26,905,687
Unrestricted	(70,032,132)	(50,077,211)	70,033,202	57,420,518	1,070	7,343,307
Total net position	<u>\$ 63,939,492</u>	<u>\$ 41,493,479</u>	<u>\$ 130,410,600</u>	<u>\$ 120,344,318</u>	<u>\$ 194,350,092</u>	<u>\$ 161,837,797</u>

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, equipment, and vehicles) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets (\$139.0 million) to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$55.3 million, represents resources that are subject to external restrictions on how the funds may be used, such as constructing specified capital projects, debt service, or other community programs. The remaining balance in unrestricted net position amounts to \$1 thousand. This amount may be used at the City's discretion to meet ongoing obligations to citizens and creditors.

The City's overall net position increased by \$32.5 million, or 20.1%, from the prior fiscal year. Key elements of these changes are as follows:

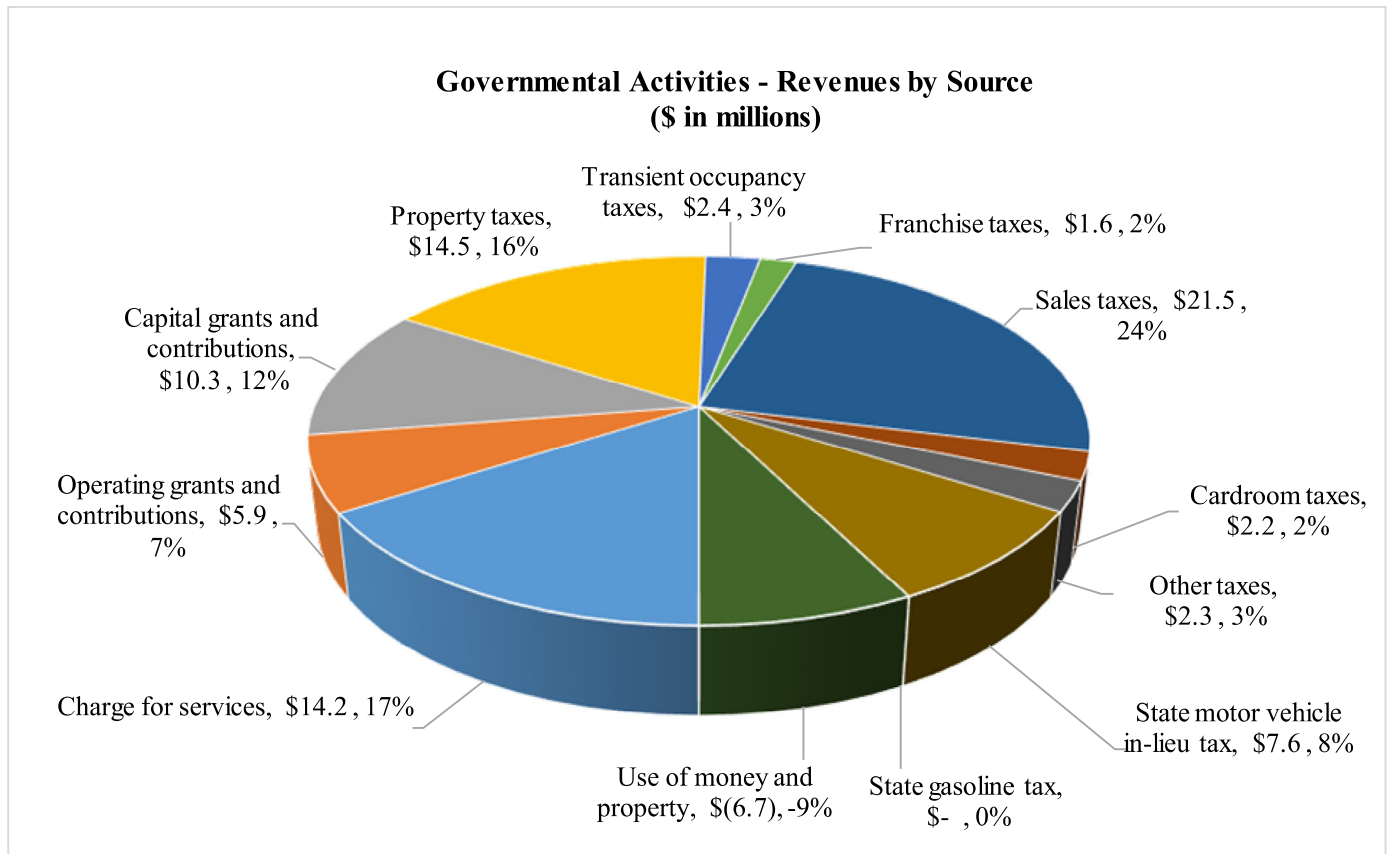
**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charge for services	\$ 14,177,297	\$ 10,585,312	\$ 45,772,880	\$ 45,921,393	\$ 59,950,177	56,506,705
Operating grants and contributions	5,881,477	3,022,800	-	-	5,881,477	3,022,800
Capital grants and contributions	10,342,801	7,808,476	-	-	10,342,801	7,808,476
General revenues:						
Property taxes	14,532,727	12,618,447	-	-	14,532,727	12,618,447
Transient occupancy taxes	2,408,999	1,247,467	-	-	2,408,999	1,247,467
Franchise taxes	1,624,176	1,798,673	-	-	1,624,176	1,798,673
Sales taxes	21,549,194	17,780,042	-	-	21,549,194	17,780,042
Cardroom taxes	2,220,592	2,035,009	-	-	2,220,592	2,035,009
Other taxes	2,277,785	2,045,462	-	-	2,277,785	2,045,462
State motor vehicle in-lieu tax	7,646,019	3,180,581	-	-	7,646,019	3,180,581
State gasoline tax	-	1,852,026	-	-	-	1,852,026
Use of money and property	(6,715,096)	(341,249)	608,506	498,412	(6,106,590)	157,163
Total revenues	75,945,971	63,633,046	46,381,386	46,419,805	122,327,357	110,052,851
Expenses:						
General government	6,413,721	8,441,787	-	-	6,413,721	8,441,787
Public safety	32,410,681	32,515,036	-	-	32,410,681	32,515,036
Public works	1,618,481	3,131,204	-	-	1,618,481	3,131,204
Streets	4,949,093	4,081,082	-	-	4,949,093	4,081,082
Parks and recreation	6,574,959	4,814,770	-	-	6,574,959	4,814,770
Library	2,156,600	2,298,623	-	-	2,156,600	2,298,623
Community and economic development	2,857,883	2,652,300	-	-	2,857,883	2,652,300
Interest expense	296,821	324,944	-	-	296,821	324,944
Water	-	-	11,643,075	12,697,845	11,643,075	12,697,845
Stormwater	-	-	1,641,787	1,375,960	1,641,787	1,375,960
Wastewater	-	-	12,989,348	12,879,291	12,989,348	12,879,291
CityNet	-	-	9,440,513	9,927,716	9,440,513	9,927,716
Total expenses	57,278,239	58,259,746	35,714,723	36,880,812	92,992,962	95,140,558
Increase (decrease) in net position before transfers	18,667,732	5,373,300	10,666,663	9,538,993	29,334,395	14,912,293
Transfers	600,381	(201,358)	(600,381)	201,358	-	-
Increase (decrease) in net position	19,268,113	5,171,942	10,066,282	9,740,351	29,334,395	14,912,293
Net position - beginning, as restated	44,671,379	36,321,537	120,344,318	110,603,967	165,015,697	146,925,504
Net position - ending	\$ 63,939,492	\$ 41,493,479	\$ 130,410,600	\$ 120,344,318	\$ 194,350,092	\$ 161,837,797

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Governmental Activities



Governmental activities increased the City's net position by \$19.2 million, with a total net position of \$63.9 million at the end of the fiscal year. Overall, revenues increased by \$12.3 million to \$75.9 million over the prior year. Robust sales tax mitigated decreases in other tax categories such as franchise tax revenues. Sales tax increased \$3.8 million, or 21.2%, which included a significant additional revenues from the passage of Measure G. Measure G was approved by the voters on November 3, 2019 and became effective on April 1, 2020. Sales tax revenue also increased due to improved business activities as compared to the start of the Covid-19 pandemic. In addition, the City entered into a Revenue Participation Agreement with a major taxpayer in October 2020, resulting in a full year of sales tax revenue associated with the agreement being reported in the current fiscal year. The City's second largest tax category, property taxes, increased by \$1.9 million, or 15.17%. The increase of property tax aligns with the increase in the San Mateo County's property assessments. State revenues from motor vehicle in-lieu tax increased by \$4.5 million, or 140.4%. The increase in state motor vehicle in-lieu tax was primarily due to the County receiving reimbursement for the in-lieu vehicle license fee shortfall for fiscal years 2020-21 and 2021-22. Transient occupancy taxes increased \$1.2 million, or 93.1%, as leisure and business travel continued to expand as a result of the decrease in restrictions due to the ongoing COVID-19 pandemic. Operating grants and contributions increased \$2.9 million, or 94.6%, primarily due to receipt of federal funds related to COVID-19 and funding from the San Bruno Community Foundation for the City's new Recreation and Aquatic Center project. Expenses decreased by \$0.9 million, or 1.6%, as the City cut expenditures in general government related to the pandemic.

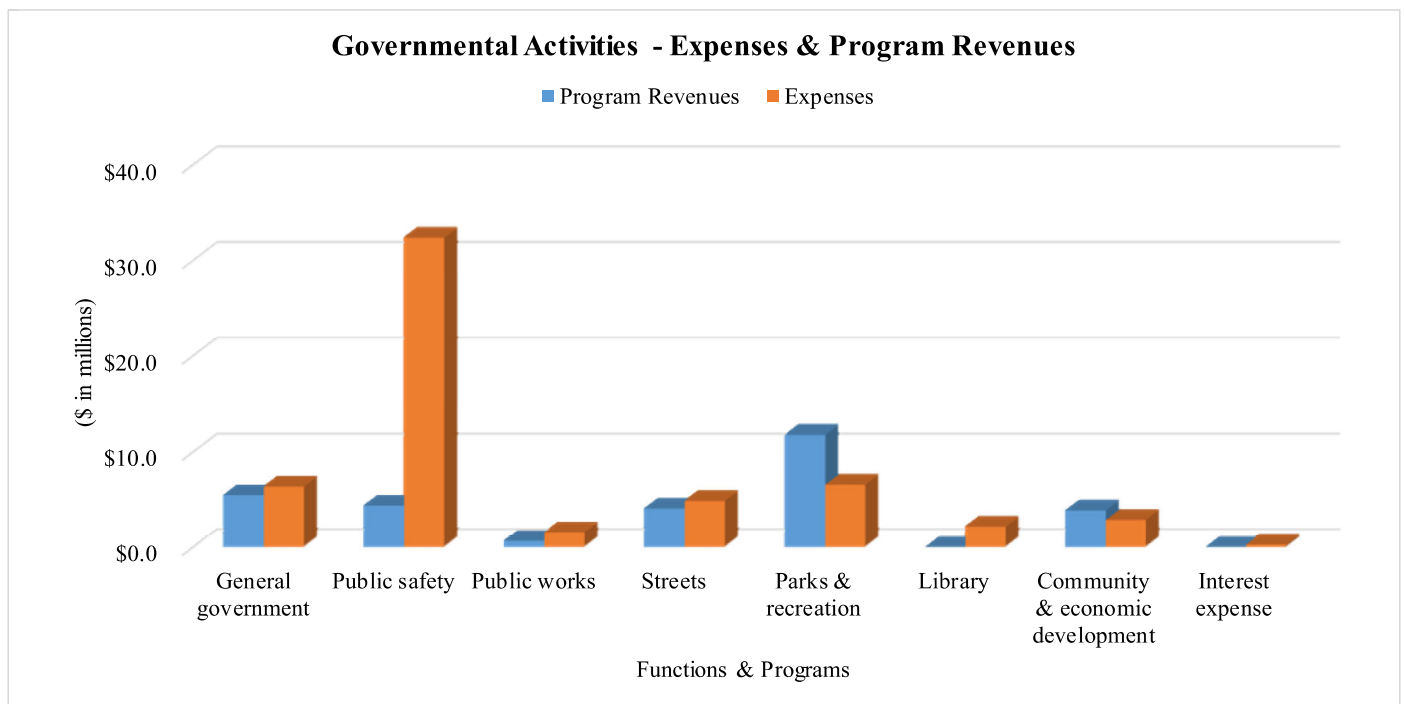
**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

The cost of all governmental activities in 2021-22 was \$57.3 million. As shown on the statement of activities, the amount that taxpayers paid for these activities with general revenues was \$30.4 million due to some of the costs being paid by those specifically benefiting from the programs (\$14.2 million), and by other governments and organizations subsidizing programs with grants and contributions for operations and capital improvement (\$16.2 million).

The City's programs included general government, public safety, public works, streets, parks and recreation, library, and community and economic development. Each program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
	2022	2021	2022	2021	2022	2021
Governmental activities:						
General government	\$ 5,533,802	\$ 10,895,714	\$ 6,413,721	\$ 8,441,787	\$ (879,919)	\$ 2,453,927
Public safety	4,442,944	3,241,085	32,410,681	32,515,036	(27,967,737)	(29,273,951)
Public works	679,109	808,585	1,618,481	3,131,204	(939,372)	(2,322,619)
Streets	4,099,434	803,462	4,949,093	4,081,082	(849,659)	(3,277,620)
Parks & recreation	11,784,748	2,695,724	6,574,959	4,814,770	5,209,789	(2,119,046)
Library	44,394	49,853	2,156,600	2,298,623	(2,112,206)	(2,248,770)
Community & economic development	3,817,144	2,922,165	2,857,883	2,652,300	959,261	269,865
Interest expense	-	-	296,821	324,944	(296,821)	(324,944)
Total governmental activities	\$ 30,401,575	\$ 21,416,588	\$ 57,278,239	\$ 58,259,746	\$ (26,876,664)	\$ (36,843,158)

Operating resources (program revenues) and operating expenses are depicted graphically as follows:

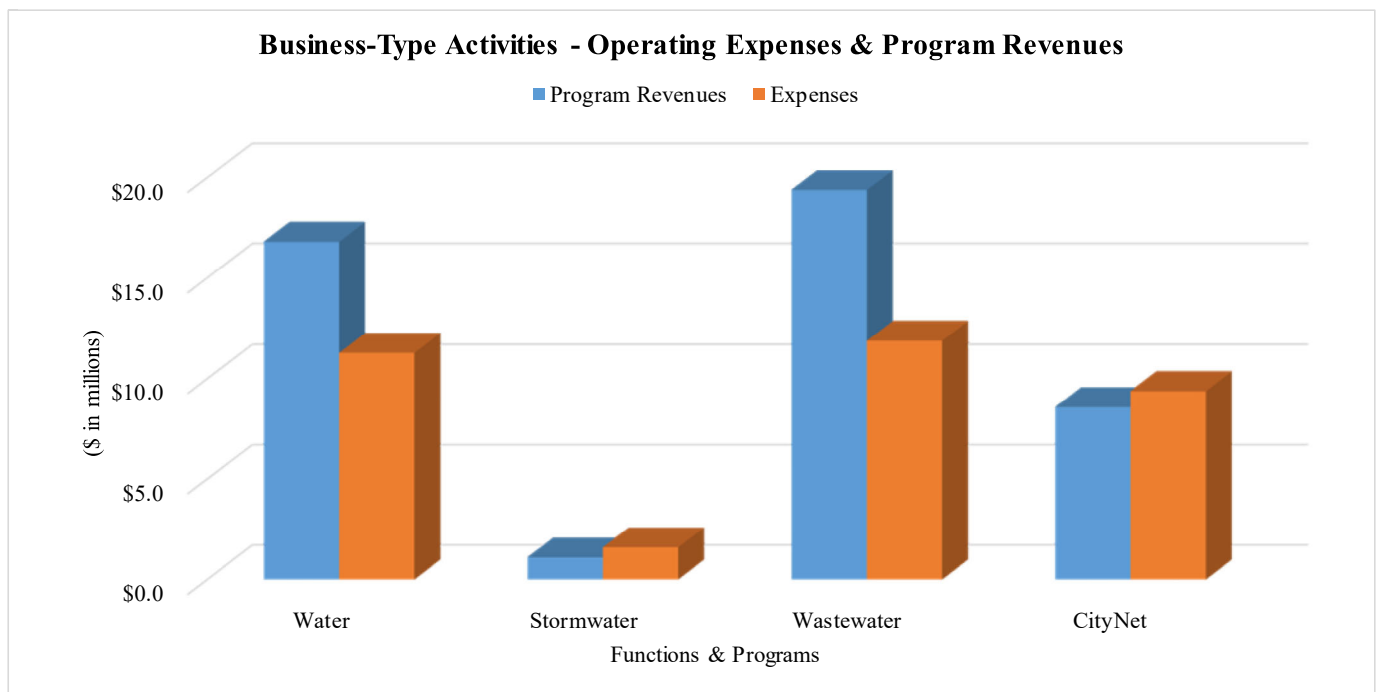


**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Business-type Activities

The City's business-type activities include water, stormwater, wastewater, and CityNet. While water and wastewater are true enterprise funds that pay for their services through user fees, both stormwater and CityNet require funding from the General Fund, as user fees do not cover all operating or capital costs. The results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$130.4 million. The total increase in net position for business-type activities was \$10.1 million. The water and wastewater Funds directly contributed to the growth. Charges for services of \$16.8 million and \$19.4 million covered expenses of \$11.6 million and \$13.0 million, respectively. Stormwater charges for services of \$1.0 million continued to be insufficient to support expenses of \$1.6 million. CityNet charges for services of \$8.6 million also continued to be insufficient to support expenses of \$9.4 million. Total resources available during the year to finance business-type activities were \$47.6 million consisting of program revenues, investment income, and transfers in. Total business-type activities expenses during the year were \$37.6 million including operating expenses, debt service expenses, and transfers out.

Operating revenues and expenses are depicted graphically as follows:



CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Each program’s net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden placed on City’s taxpayers by each of these functions.

	Operating Revenues		Operating Expenses		Net (Expense) and Change in Net Position	
	2022	2021	2022	2021	2022	2021
	Business-type activities:					
Water	\$ 16,774,287	\$ 17,777,900	\$ 11,300,655	\$ 12,271,120	\$ 5,473,632	\$ 5,506,780
Stormwater	1,054,326	655,608	1,644,433	1,371,415	(590,107)	(715,807)
Wastewater	19,378,136	18,470,837	11,949,704	11,679,599	7,428,432	6,791,238
CityNet	8,566,131	9,017,048	9,426,126	9,921,673	(859,995)	(904,625)
Total business-type activities	\$ 45,772,880	\$ 45,921,393	\$ 34,320,918	\$ 35,243,807	\$ 11,451,962	\$ 10,677,586

Financial Analysis of the City’s Funds

Governmental Funds

The City uses fund accounting, which focuses on current financial resources affecting near-term liquidity. It is also a management tool for segregating certain resources for specific activities or objectives in accordance with special regulations, restrictions, or limitations.

As of June 30, 2022 governmental funds reported combined fund balances of \$63.4 million, an increase of \$5.3 million, or 9%, over the prior year. Of this amount, \$15.3 million is non-spendable as the funds were advanced to CityNet services for the Shelter Creek Fiber to the Home project in the amount of \$0.1 million, and for the negative cash balance in the fund in the amount of \$15.2 million. The City is developing a plan to reduce the net operating loss and repay the General Fund. The remainder of the fund balance is either restricted, assigned, or unassigned to indicate that it is (1) restricted for particular purposes, \$53.4 million; or (2) assigned for particular purposes, \$26.0 million; or (3) unassigned and available at the City’s discretion, \$(31.4) million.

Analysis of Major Funds

The General Fund is the main operating fund of the City. For financial statement presentation purposes, the General Fund includes the operating fund, reserve funds, Measure G fund, American Rescue Plan Act fund, and Developer Project Contributions fund. Revenues totaled \$63.4 million, which is an increase of \$7.2 million, or 12.8%, from the prior year. This is primarily due to growth from motor vehicle in-lieu tax sales tax, property tax, and intergovernmental revenue. The City received federal American Rescue Plan Act funding of \$9.9 million in fiscal year 2021-22 to support the response to and recovery from the COVID-19 public health emergency. Expenditures totaled \$53.4 million, which increased by \$5.3 million, or 10.9%, from the prior year. The increase is primarily attributed to additional funding allocated to public safety and the acquisition of vehicular equipment. At the end of the fiscal year, total fund balance increased by \$11.2 million to \$46.6 million.

The Parks and Facilities Capital Improvement Capital Projects Fund, which provides for the improvement of the City’s parks and facilities, increased by \$9.5 million. The primary reason for the increase in revenues was due to the receipt of community benefit funds from San Bruno Community Foundation in the amount of \$10.2 million. Expenditures increased in the amount of \$13.8 million. The entire portion of the increased expenditures was related to capital outlay activities. Capital outlay expenditures were primarily associated with the design and construction of the City’s new Recreation and Aquatics Center. The net change in fund balance for fiscal year was a decrease of \$3.0 million, netting to an ending fund balance of \$(.2 million).

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

Proprietary Funds

The City's proprietary funds provides the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Water Fund net position increased by \$4.9 million to \$70.2 million as a result of planned rate increases approved by City Council in 2017, which will be used to implement a number of critical infrastructure improvement projects in future years. A five-year rate plan was established, and provides for annual 5% rate increases through June 30, 2022. To lessen the financial burden on residents in the era of COVID-19, the City Council decided not to increase the water rate in FY 2021-22 or FY 2022-23.

Wastewater Fund net position increased by \$5.4 million to \$71.8 million as a result of planned rate increases approved by City Council in 2017, which will be used to implement a number of critical infrastructure improvement projects in future years. A five-year rate plan was established and provides for annual 5% rate increases through June 30, 2022. To lessen the financial burden on residents in the era of COVID-19, the City Council decided not to increase the wastewater rate in FY 2021-22 or FY 2022-23.

Stormwater Fund net position increased by \$0.4 million to \$5.4 million primarily due to a transfer in from the American Rescue Plan Act fund. The long-range financial forecast, without any additional dedicated revenue to support the enterprise, is projected to yield a negative fund balance beginning in FY 2022-23 with a negative fund balance each year thereafter. The remaining stormwater system capital improvement projects are projected to be funded through General Fund reserves due to the lack of dedicated stormwater fees. The City held a mail ballot property-owner election to increase Storm Drainage and Flood Protection Fee on June 15, 2021. The initiative was rejected by the voters, and the City began exploring alternative options in 2021-22 to address needed stormwater system improvements. A path to alternative funding options has not been identified as of yet, and the City continues to explore options in 2022-23.

CityNet Fund net position decreased by \$0.8 million to \$(18.7) million. This decline is primarily due to operating expenses exceeding operating revenues. Depreciation expense of \$0.3 million and the impact of reflecting the GASB 68 pension expense in the fund of \$0.1 million also contributed to the net position decrease. With the adoption and implementation of the new, internet focused business plan in 2019, accompanied by a new rate structure and continuously implemented vendor cost controls, progress has been made annually in reducing the net operating loss since 2018. As long as the enterprise remains in a financial deficit position, the impact falls on the City's General Fund to backfill the CityNet Fund shortfall.

General Fund Budgetary Highlights

The budget comparison information presented on page 101, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund, reserve funds, Measure G fund, American Rescue Plan Act fund, and Developer Project Contributions fund.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Original Budget Compared to Final Budget

The most significant differences between original and final revenue estimates were as follows:

Revenues	Orig Budget	Final Budget	Variance	Percent Change
Intergovernmental	8,834,874	9,724,874	890,000	10.1%

Intergovernmental revenue estimates increased by \$0.8 million, or 10.1%. The increase was the adjustment for the County receiving the FY 2021-22 VLF disbursement from the State. The City had expected to receive \$1.16 million of the disbursement.

The most significant differences between original and final expenditure budgets were as follows:

Expenditures	Orig Budget	Final Budget	Variance	Percent Change
Public works	1,539,201	1,647,978	108,777	7.1%
Community and economic development	3,188,841	3,653,183	464,342	14.6%
Capital outlay	924,000	1,282,553	358,553	38.8%

Community and Economic Development appropriations had combined increases of \$0.4 million, or 14.6%. The rise can be attributed to the City’s contracting with consultants to support permit technician services, and encumbrances carried over from the prior fiscal year. Capital outlay expenses increased by \$0.35 million, primarily for purchasing vehicles and providing related equipment outfitting.

Final Budget Compared to Actual Results

The most significant differences between estimated and actual revenues were as follows:

Revenues	Final Budget	Actual Revenues	Variance	Percent Change
Taxes	32,752,340	42,335,688	9,583,348	29.3%
Licenses and permits	6,822,727	5,609,093	(1,213,634)	-17.8%
Intergovernmental	9,724,874	11,054,305	1,329,431	13.7%
Charges for services	2,466,733	3,915,518	1,448,785	58.7%
Fines and forfeitures	1,048,000	612,247	(435,753)	-41.6%
Other revenues	5,923,475	6,579,462	655,987	11.1%

Tax revenues realized increases in sales tax, property tax, and transient occupancy tax. The City entered into a Revenue Participation Agreement with a major taxpayer in October 2020 and began recording the full year of sales tax revenue associated with the agreement. Intergovernmental revenue received was \$1.3 million, which was 13.7% over budget, which was primarily due to the City receiving larger than expected VLF disbursement.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

The charges for services category are made up of various program revenues primarily from the Police Department and Recreation Services Division. By fiscal year end, charges for services came in to \$1.4 million, or 58.7%, higher than previously estimated. This increase can be attributed to the gradual rise in community activities during the post COVID-19 pandemic period. Fines and forfeitures were \$0.4 million, or 41.6%, below budget primarily due to a reduction in police and parking fine collections.

The most significant differences between the final budget and actual expenditures were as follows:

Expenditures	Final Budget	Actual Expenditures	Variance	Percent Change
Streets	\$2,179,621	\$1,755,168	\$424,453	19.5%
Parks and recreation	\$5,535,476	\$4,937,774	597,702	10.8%
Library	\$2,195,025	\$2,071,002	124,023	5.7%
Community and economic development	3,653,183	2,787,248	865,935	23.7%
Capital outlay	1,282,553	2,008,149	(725,596)	-56.6%

The challenges that arose from the start of the COVID-19 pandemic continued into FY 2021-22. Consistent with prior years' practice and the City Council's on-going budget policy, the budget reflects efforts across all departments and operating programs to control and contain costs at the lowest responsible levels to allow for uninterrupted service delivery. As a result, total expenditures were \$53.4 million, which was \$1.3 million, or 2.0% under budget. Streets Division expenditures were \$0.4 million, or 19.5%, under budget due to salary savings from vacant positions, savings in streetlight and traffic signal supplies, other operating supplies, and contractual services. Community and Economic Development Department expenditures were \$0.8 million, or 23.7%, under budget due to salary savings from vacant positions and unspent professional services funds which will be carried over to next fiscal year.

Cash Management

The City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). To maintain flexibility in cash management under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in eligible securities as defined by the California Government Code, and further authorized and guided by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield, in that order of priority.

Capital Assets

The capital assets of the City are those assets used in the performance of the City's functions including infrastructure assets. As of June 30, 2022, net capital assets of the governmental activities totaled \$82.5 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2021-22 fiscal year, net capital assets for governmental activities increased by \$12.9 million due to increase in capital purchases. For business-type activities, capital assets decreased by \$2.5 million to \$102.6 million due to aging infrastructure in which the depreciation rate on existing assets exceeds the rate of capital purchases incurred in 2021-22 fiscal year. Detailed information about capital assets can be found in Note 4 to the financial statements.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,649,235	\$ 4,649,235	\$ 576,842	\$ 576,842	\$ 5,226,077	\$ 5,226,077
Construction in Progress	20,773,221	7,964,654	9,726,495	12,334,468	30,499,716	20,299,122
Infrastructure	44,714,726	45,291,885	-	-	44,714,726	45,291,885
Sewer Plant	-	-	11,405,811	12,170,648	11,405,811	12,170,648
Buildings & Structures	6,646,409	6,897,115	74,712,724	72,854,125	81,359,133	79,751,240
Machinery & Equipment	5,700,595	4,741,554	6,168,260	7,110,717	11,868,855	11,852,271
Total	\$ 82,484,186	\$ 69,544,443	\$ 102,590,132	\$ 105,046,800	\$ 185,074,318	\$ 174,591,243

Debt Administration

The City and Successor Agency to the Former Redevelopment Agency debt obligations are in the form of capital leases, a pension obligation bond, loans payable to South San Francisco, and revenue bonds. The following table is a summary of the City's outstanding debt:

	Summary of Long-Term Debt	
	2022	2021
Governmental Activities		
2017 Capital Lease Obligation	\$ -	\$ 90,522
2018 Capital Lease Obligation	339,090	665,719
2022 Capital Lease Obligation	1,600,000	-
2013 Pension Obligation Bond	5,142,410	6,062,892
Subtotal Governmental Activities Debt	7,081,500	6,819,133
Business-Type Activities		
Due to South San Francisco - 1997 Loan	574,610	1,134,660
Due to South San Francisco - 2007 Loan	1,724,756	2,129,976
2013 Wastewater Revenue Refunding Bond	4,846,630	5,184,508
2017 Wastewater Revenue Bond	25,135,881	25,693,415
2017 Water Revenue Bond	11,930,425	12,191,979
Subtotal Business-Type Activities Debt	44,212,302	46,334,538
Fiduciary Activities		
2019 Lease Revenue Bonds	4,186,798	4,579,220
Subtotal Fiduciary Activities Debt	4,186,798	4,579,220
Total Long-Term Debt Obligations	\$ 55,480,600	\$ 57,732,891

Additional information about long-term debt can be found in Note 5 to the financial statements.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

Economic Factors and Next Year's Budgets and Rates

The City Council and management considered the following economic factors in preparation of the fiscal year 2022-23 budget:

General Fund revenues

- Total General Fund revenues of \$50.9 million projected for FY 2022-23 are flat compared to the FY2021-22 Amended Budget amounts.
- Property Taxes - Compared to other cities throughout California, San Bruno receives a relatively low amount of the total property tax collected in the City. San Bruno receives approximately \$0.125 cents from every property tax dollar paid in San Bruno. An additional \$0.02 cents of property tax revenue have come to the City in recent years from the Educational Revenue Augmentation Fund, commonly known as ERAF, but this is not a consistent or reliable revenue source to fund on-going operations in the long term. The remainder of property taxes paid by property owners in the City goes to San Mateo County, school districts, and special districts. The housing industry and home sales boomed when more people worked from home because of the Covid-19 pandemic and related stay-at-home directives. Secured property tax revenue was expected to increase by more than 4% over the prior fiscal year budget primarily due to higher property reassessment.
- Sales Tax of 9.75% is assessed on every taxable sale in San Bruno. Of the 9.75%, the City receives 1.5%, or approximately 15% of the total tax. For FY 2022-23 total Sales Tax revenue is anticipated to increase by 1% from the prior year's receipts. The sale of Tanforan Mall will cause reduced sales in the area, although the loss may be partially offset by other businesses and higher prices due to inflation. The California Department of Tax and Fee Administration (CDTFA) is currently reviewing its distribution of Bradley Burns Sales and Use Tax to the City. Staff will adjust the forecast of sales tax revenue after CDTFA informs the City of its final decision.
- Transient Occupancy Tax (TOT) in the amount of 14% is collected on the cost of each room rental at each of the 12 lodging establishments in the City. Occupancy in hotels declined by more than 75% shortly after the start of the Covid-19 pandemic. The hospitality industry within City limits continues to recover, although it has not reached pre-pandemic levels. Staff is projecting continued recovery and an increase of a 60% in TOT revenue in FY 2022-23 to approximately \$2.8 million.
- Business license tax is an annual tax based on prior year gross receipts. The Covid-19 pandemic devastated many sectors of San Bruno's business community, and many businesses reported lower gross receipts for FY 2021-22. For the next year, businesses will continue to face challenges with expected higher than normal inflation, disrupted supply chains, and tight labor markets. Therefore, staff reduced estimated business license tax revenue by 7%.
- Departmental Revenue - Total departmental revenues are projected to decrease by 6% compared to the FY 2021-22 budget. The Building Division of the Community and Economic Development Department revised its revenue forecast per project pipeline. Some revenues previously anticipated for FY 2021-22 will be anticipated to be received in FY 2022-23.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

General Fund Expenditures

- Regular and Part-Time Salaries - Salaries for all full time and part time staff is the single largest category of expenditures in the operating budget, totaling approximately 43.0% of all General Fund expenditures. The total budget for regular, part-time, and overtime salaries across all General Fund departments is \$24.0 million.
- CalPERS Retirement - Employee retirement benefits total \$10.7 million, or 19.2% of General Fund expenditures. This amount represents an increase of approximately \$1.2 million compared to the FY 2021-22 budget. The City continues to experience significant impacts from increasing costs for retirement benefits through the CalPERS system.
- Employee Insurance Premiums - Employee insurance benefits (medical, life and long-term disability) are provided through the Teamster's Health and Welfare Trust, and amount to \$5.1 million in FY 2022-23. The Trust notifies the City of the projected premium increase at the end of each calendar year.

Enterprise Funds

- The City completed a comprehensive review of operating and capital needs in the Water and Wastewater Enterprises, and established a new multi-year utility rate schedule in April 2017. The rate analysis included an evaluation of all operational costs and the planned schedule and costs for delivery of capital improvement projects necessary to replace and rehabilitate the City's aging water and wastewater system infrastructure. The multi-year water and wastewater rate program adopted by the City Council in May 2017 provides for an annual 5% rate increase through FY 2021-22. To lessen the financial burden on residents in the era of COVID-19, the City Council decided not to increase water and wastewater rates in FY 2021-22 or FY 2022-23.
- The Stormwater Enterprise is responsible for maintaining the stormwater conveyance system as well as adhering to the requirements outlined in the National Pollutant Discharge Elimination System. Stormwater fees are collected through the County property tax, and a minimum of \$46.16 per assessor parcel number is assessed for most properties in San Bruno. These fees have been in place since 1994 and are inadequate to fund ongoing operations and necessary equipment and capital investments to meet federal requirements. The City has not been able to collect sufficient revenue to replace and repair portions of the aging stormwater system. The City held a mail ballot property-owner election to increase the Storm Drainage and Flood Protection Fee on June 15, 2021. The initiative was rejected by the voters, and the City is exploring alternative options to address needed stormwater system improvements in FY 2022-23.
- CityNet Fund – CityNet has continued making improvements in FY 2021-22 to control expenses and focus on higher margin business. In its long-range financial forecast, the negative fund balance is expected to grow to at least \$20.0 million in FY 2023-24 and is not likely to decrease in subsequent years. With an imminent plan to continue the Enterprise's fiber upgrade with Council approval and launch a new streaming TV product, CityNet is positioning itself to implement technological improvements to serve existing customers, attract new customers, and potentially become financially solvent in future years.

Capital Improvement Program and Debt Service

- The FY 2022-23 CIP identifies 93 projects organized in 10 categories. \$283.2 million in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. \$180.7 million of this amount is the expected cost of scheduled improvements to the City's water and wastewater systems. A total of \$6.0 million is set-aside to meet debt service obligations.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the revenues it received. Questions about this report should be directed to the Finance Department at webfinance@sanbruno.ca.gov or 567 El Camino Real, San Bruno, CA 94066. This report as well as other financial reports can be viewed on the City of San Bruno's website at www.sanbruno.ca.gov.

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**BASIC
FINANCIAL STATEMENTS**

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of San Bruno
Statement of Net Position
June 30, 2022 (with comparative totals for June 30, 2021)

	Governmental		Business-type		Totals	
	Activities		Activities		2022	2021
ASSETS						
Current assets:						
Cash and investments	\$	62,602,738	\$	94,768,040	\$	157,370,778
Cash and investments with fiscal agent		141,811		1,918,591		2,060,402
Receivables:						
Taxes		5,443,645		-		5,443,645
Accounts		-		5,886,896		5,886,896
Interest		76,483		-		76,483
Loans		749,809		-		749,809
Other		6,064,569		-		6,064,569
Prepaid costs		-		47,540		47,540
Internal balances		13,606,700		(13,606,700)		-
Total current assets		88,685,755		89,014,367		177,700,122
Noncurrent assets:						
Other assets		3,177,900		-		3,177,900
Capital assets:						
Nondepreciable		25,422,456		10,303,337		35,725,793
Depreciable		137,085,399		171,282,140		308,367,539
Less accumulated depreciation		(80,023,669)		(78,995,345)		(159,019,014)
Total capital assets		82,484,186		102,590,132		185,074,318
Total noncurrent assets		85,662,086		102,590,132		188,252,218
Total assets		174,347,841		191,604,499		365,952,340
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding		-		80,977		80,977
Deferred pension related items		17,412,205		1,978,968		19,391,173
Total deferred outflows of resources		17,412,205		2,059,945		19,472,150
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities		11,815,002		1,976,590		13,791,592
Interest payable		41,966		830,232		872,198
Deposits payable		5,563,455		-		5,563,455
Unearned revenue		6,507,231		677,547		7,184,778
Other liabilities		440,500		-		440,500
Compensated absences - current		522,514		102,507		625,021
Claims and judgements - current		1,545,000		-		1,545,000
Long-term debt - current portion		1,446,246		2,039,962		3,486,208
Total current liabilities		27,881,914		5,626,838		33,508,752
Noncurrent liabilities:						
Compensated absences		2,237,097		443,192		2,680,289
Claims and judgements		3,483,000		-		3,483,000
Net pension liability		57,060,538		11,151,057		68,211,595
Long-term debt		5,635,254		42,172,340		47,807,594
Total noncurrent liabilities		68,415,889		53,766,589		122,182,478
Total liabilities		96,297,803		59,393,427		155,691,230
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension		31,522,751		3,860,417		35,383,168
Total deferred inflows of resources		31,522,751		3,860,417		35,383,168
NET POSITION						
Net investment in capital assets		80,545,096		58,458,807		139,003,903
Restricted for:						
Capital projects		42,250,643		1,918,591		44,169,234
Debt service		196		-		196
Measure A		904,475		-		904,475
Community services		10,271,214		-		10,271,214
Total restricted		53,426,528		1,918,591		55,345,119
Unrestricted		(70,032,132)		70,033,202		1,070
Total net position	\$	63,939,492	\$	130,410,600	\$	194,350,092
					\$	161,837,797

City of San Bruno

Statement of Activities

For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 6,413,721	\$ 5,362,419	\$ 155,207	\$ 16,176	\$ 5,533,802
Public safety	32,410,681	3,290,386	1,152,558	-	4,442,944
Public works	1,618,481	574,911	104,198	-	679,109
Streets	4,949,093	18,000	3,946,894	134,540	4,099,434
Parks and recreation	6,574,959	1,271,240	321,423	10,192,085	11,784,748
Library	2,156,600	6,756	37,638	-	44,394
Community and economic development	2,857,883	3,653,585	163,559	-	3,817,144
Interest expense	296,821	-	-	-	-
Total governmental activities	57,278,239	14,177,297	5,881,477	10,342,801	30,401,575
Business-type Activities:					
Water	11,643,075	16,774,287	-	-	16,774,287
Stormwater	1,641,787	1,054,326	-	-	1,054,326
Wastewater	12,989,348	19,378,136	-	-	19,378,136
Cable television	9,440,513	8,566,131	-	-	8,566,131
Total business-type activities	35,714,723	45,772,880	-	-	45,772,880
Total primary government	\$ 92,992,962	\$ 59,950,177	\$ 5,881,477	\$ 10,342,801	\$ 76,174,455

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy tax

Franchise tax

Sales tax, including subvention

Cardroom taxes

Other taxes

Total taxes

Intergovernmental, unrestricted

State motor vehicle in-lieu tax, including subvention

Use of money and property

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2022	2021
\$ (879,919)	\$ -	\$ (879,919)	\$ 2,453,927
(27,967,737)	-	(27,967,737)	(29,273,951)
(939,372)	-	(939,372)	(2,322,619)
(849,659)	-	(849,659)	(1,425,594)
5,209,789	-	5,209,789	(2,119,046)
(2,112,206)	-	(2,112,206)	(2,248,770)
959,261	-	959,261	269,865
(296,821)	-	(296,821)	(324,944)
(26,876,664)	-	(26,876,664)	(34,991,132)
-	5,131,212	5,131,212	5,080,055
-	(587,461)	(587,461)	(720,352)
-	6,388,788	6,388,788	5,591,546
-	(874,382)	(874,382)	(910,668)
-	10,058,157	10,058,157	9,040,581
(26,876,664)	10,058,157	(16,818,507)	(25,950,551)
14,532,727	-	14,532,727	12,618,447
2,408,999	-	2,408,999	1,247,467
1,624,176	-	1,624,176	1,798,673
21,549,194	-	21,549,194	17,780,042
2,220,592	-	2,220,592	2,035,009
2,277,785	-	2,277,785	2,045,462
44,613,473	-	44,613,473	37,525,100
7,646,019	-	7,646,019	3,180,581
(6,715,096)	608,506	(6,106,590)	157,163
600,381	(600,381)	-	-
46,144,777	8,125	46,152,902	40,862,844
19,268,113	10,066,282	29,334,395	14,912,293
44,671,379	120,344,318	165,015,697	146,925,504
\$ 63,939,492	\$ 130,410,600	\$ 194,350,092	\$ 161,837,797

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund is the primary operating fund of the City, accounting for all activities except those legally or administratively required to be accounted for in other funds. The General Fund includes activities such as public safety, parks and recreation services, community and economic development, public works and streets maintenance, legal and administrative services. The General Fund also accounts for reserves, Measure G funds, American Rescue Plan Act funds, and developer contributions.

Parks and Facilities Capital Improvement Fund

Accounts for funds expended on the improvement and development of the City's facilities, infrastructure, major equipment and technological upgrades used to deliver services to the community. Funding comes from the General Fund, grants, and other sources.

City of San Bruno
Balance Sheet
Governmental Funds
June 30, 2022 (with comparative totals for June 30, 2021)

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals	
		Parks and Facilities Capital Improvement		2022	2021
ASSETS					
Cash and investments	\$ 29,536,324	\$ 9,199,222	\$ 21,085,675	\$ 59,821,221	\$ 47,342,456
Cash and investments with fiscal agent	50,496	-	196	50,692	50,501
Receivables:					
Taxes	5,099,304	-	344,341	5,443,645	6,437,389
Interest	76,483	-	-	76,483	139,501
Loans	749,809	-	-	749,809	775,862
Other	5,461,012	235,455	368,102	6,064,569	2,331,907
Due from other funds	-	-	-	-	27,135
Advances to other funds	15,316,895	-	-	15,316,895	14,415,651
Other assets	-	-	3,177,900	3,177,900	-
Total assets	\$ 56,290,323	\$ 9,434,677	\$ 24,976,214	\$ 90,701,214	\$ 71,520,402
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	5,238,378	5,106,221	1,080,671	11,425,270	5,395,354
Due to other funds	-	-	-	-	27,135
Deposits payable	2,070,937	-	3,492,518	5,563,455	6,997,390
Unearned revenue	1,944,239	4,498,634	64,358	6,507,231	870,468
Other liabilities	440,500	-	-	440,500	-
Advances from other funds	-	-	98,449	98,449	-
Total liabilities	9,694,054	9,604,855	4,735,996	24,034,905	13,290,347
Deferred Inflows of Resources					
Unavailable revenue	-	-	3,261,134	3,261,134	83,234
Total deferred inflows of resources	-	-	3,261,134	3,261,134	83,234
Fund Balances:					
Nonspendable	15,316,895	-	-	15,316,895	14,415,651
Restricted	-	36,373,209	17,053,319	53,426,528	22,782,488
Assigned	26,045,126	-	-	26,045,126	30,408,528
Unassigned	5,234,248	(36,543,387)	(74,235)	(31,383,374)	(9,459,846)
Total fund balances	46,596,269	(170,178)	16,979,084	63,405,175	58,146,821
Total liabilities, deferred inflows of resources and fund balances	\$ 56,290,323	\$ 9,434,677	\$ 24,976,214	\$ 90,701,214	\$ 71,520,402

City of San Bruno
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 63,405,175

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

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

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 25,422,456	\$ -	25,422,456
Depreciable, net	57,061,730	(1,327)	57,060,403
Total capital assets	\$ 82,484,186	\$ (1,327)	82,482,859

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

Net amount of internal service funds allocated to business-type activities (2,637,521)
(1,611,746)

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.

3,261,134

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

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Deferred outflows of resources related to pension	17,412,205	-	17,412,205
Deferred inflows of resources related to pension	(31,522,751)	-	(31,522,751)

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

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (522,514)	\$ 23,936	\$ (498,578)
Interest payable	(41,966)	-	(41,966)
Long-term debt - due within one year	(1,446,246)	-	(1,446,246)
Claims and judgements - due within one year	(1,545,000)	1,545,000	-
Compensated absences - due in more than one year	(2,237,097)	69,816	(2,167,281)
Long-term debt - due in more than one year	(5,635,254)	-	(5,635,254)
Claims and judgements - due in more than one year	(3,483,000)	3,483,000	-
Net pension liability	(57,060,538)	-	(57,060,538)
Total long-term liabilities	\$ (71,971,615)	\$ 5,121,752	(66,849,863)

Net Position of Governmental Activities \$ 63,939,492

City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Capital Projects Fund			Totals	
	General Fund	Parks and Facilities Capital Improvement	Nonmajor Governmental Funds	2022	2021
REVENUES:					
Taxes	\$ 42,335,688	\$ -	\$ 1,921,217	\$ 44,256,905	\$ 35,545,170
Licenses and permits	5,609,093	-	484,508	6,093,601	5,135,532
Intergovernmental	11,054,305	-	2,410,086	13,464,391	8,006,644
Charges for services	3,915,518	5,800	75,881	3,997,199	2,093,216
Fines and forfeitures	612,247	-	171,668	783,915	824,466
Use of money and property	(6,745,185)	-	86,742	(6,658,443)	(250,036)
Other revenues	6,579,462	10,192,085	(2,763,144)	14,008,403	12,194,820
Total revenues	63,361,128	10,197,885	2,386,958	75,945,971	63,549,812
EXPENDITURES:					
Current:					
General government	7,945,649	-	74,721	8,020,370	7,055,055
Public safety	30,356,530	-	337,176	30,693,706	28,682,296
Public works	1,551,310	-	-	1,551,310	1,540,457
Streets	1,755,168	-	114,947	1,870,115	1,644,167
Parks and recreation	4,937,774	-	226,515	5,164,289	4,838,508
Library	2,071,002	-	23,034	2,094,036	1,957,533
Community and economic development	2,787,248	-	51,743	2,838,991	2,649,788
Capital outlay	2,008,149	13,822,599	2,746,540	18,577,288	4,498,002
Debt service:					
Principal	-	-	1,357,151	1,357,151	1,398,135
Interest and fiscal charges	-	-	277,303	277,303	315,091
Total expenditures	53,412,830	13,822,599	5,209,130	72,444,559	54,579,032
REVENUES OVER (UNDER) EXPENDITURES	9,948,298	(3,624,714)	(2,822,172)	3,501,412	8,970,780
OTHER FINANCING SOURCES (USES):					
Transfers in	5,094,598	1,335,336	5,653,321	12,083,255	12,170,782
Transfers out	(3,827,888)	(691,974)	(7,406,451)	(11,926,313)	(12,462,140)
Proceeds from long-term debt	-	-	1,600,000	1,600,000	-
Total other financing sources (uses)	1,266,710	643,362	(153,130)	1,756,942	(291,358)
Net change in fund balances	11,215,008	(2,981,352)	(2,975,302)	5,258,354	8,679,422
FUND BALANCES:					
Beginning of year	35,381,261	2,811,174	19,954,386	58,146,821	49,467,399
End of year	\$ 46,596,269	\$ (170,178)	\$ 16,979,084	\$ 63,405,175	\$ 58,146,821

City of San Bruno
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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	5,258,354
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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.		16,739,220
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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.		(3,795,499)
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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.		121,851
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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		1,357,151
Issuance of long-term debt		(1,600,000)
Amortization of bonds premium (discount), net		(19,518)

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.		9,740,214
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Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(8,934,583)
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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 (expense) of the internal service funds was reported with governmental activities.		400,923
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Change in Net Position of Governmental Activities	\$	19,268,113
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PROPRIETARY FUNDS

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 has identified the funds below as major proprietary funds.

Water Fund

To account for water services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

Stormwater Fund

To account for storm drain system maintenance, street sweeping and other related activities to the citizens of San Bruno. Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system and street sweeping charges.

Wastewater Fund

To account for sanitary sewer services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, treatment and capital improvement.

CityNet Fund

To account for operating and capital improvement costs to provide a full suite of video, data and voice services to residential and business customers.

City of San Bruno
Statement of Net Position
Proprietary Funds
June 30, 2022 (with comparative totals for June 30, 2021)

	Business Type Activities - Enterprise Funds			
	Water	Stormwater	Wastewater	CityNet
ASSETS				
Current Assets:				
Cash and investments	\$ 47,838,565	\$ 674,293	\$ 46,255,182	\$ -
Cash and investments with fiscal agent	456,425	-	1,462,166	-
Receivables:				
Taxes	-	-	-	-
Accounts	2,675,352	196,925	2,123,334	891,285
Prepaid items	47,540	-	-	-
Total current assets	<u>51,017,882</u>	<u>871,218</u>	<u>49,840,682</u>	<u>891,285</u>
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	3,779,714	1,076,280	4,947,343	500,000
Depreciable capital assets	55,589,923	5,752,069	87,549,620	22,390,528
Accumulated depreciation	<u>(22,704,665)</u>	<u>(1,510,249)</u>	<u>(33,729,428)</u>	<u>(21,051,003)</u>
Net capital assets	<u>36,664,972</u>	<u>5,318,100</u>	<u>58,767,535</u>	<u>1,839,525</u>
Total noncurrent assets	<u>36,664,972</u>	<u>5,318,100</u>	<u>58,767,535</u>	<u>1,839,525</u>
Total assets	<u>87,682,854</u>	<u>6,189,318</u>	<u>108,608,217</u>	<u>2,730,810</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on pensions	632,195	85,419	569,657	691,697
Deferred amount on refunding	-	-	80,977	-
Total deferred outflows of resources	<u>632,195</u>	<u>85,419</u>	<u>650,634</u>	<u>691,697</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,004,160	160,730	118,137	693,563
Interest payable	226,425	-	603,807	-
Unearned revenue	-	-	-	677,547
Compensated absences - current	20,086	8,002	13,808	60,611
Claims and judgements - current	-	-	-	-
Long-term debt - current portion	230,000	-	1,809,962	-
Total current liabilities	<u>1,480,671</u>	<u>168,732</u>	<u>2,545,714</u>	<u>1,431,721</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	15,218,446
Compensated absences	104,507	43,157	94,406	201,122
Claims payable	-	-	-	-
Net pension liability	3,562,284	481,316	3,209,895	3,897,562
Long-term debt	11,700,425	-	30,471,915	-
Total noncurrent liabilities	<u>15,367,216</u>	<u>524,473</u>	<u>33,776,216</u>	<u>19,317,130</u>
Total liabilities	<u>16,847,887</u>	<u>693,205</u>	<u>36,321,930</u>	<u>20,748,851</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on pensions	1,233,238	166,628	1,111,243	1,349,308
Total deferred inflows of resources	<u>1,233,238</u>	<u>166,628</u>	<u>1,111,243</u>	<u>1,349,308</u>
NET POSITION				
Net investment in capital assets	24,734,547	5,318,100	26,566,635	1,839,525
Restricted	456,425	-	1,462,166	-
Unrestricted	45,042,952	96,804	43,796,877	(20,515,177)
Total net position	<u>\$ 70,233,924</u>	<u>\$ 5,414,904</u>	<u>\$ 71,825,678</u>	<u>\$ (18,675,652)</u>
Reconciliation to the government-wide statement of net position:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 884,412	\$ 87,013	\$ (121,275)	\$ 761,596
Net position of business-type activities	<u>\$ 71,118,336</u>	<u>\$ 5,501,917</u>	<u>\$ 71,704,403</u>	<u>\$ (17,914,056)</u>

Business-Type Activities - Enterprise Funds Totals		Governmental Activities - Internal Service Funds Totals	
2022	2021	2022	2021
\$ 94,768,040	\$ 83,336,857	\$ 2,781,517	\$ 2,593,440
1,918,591	4,123,199	91,119	91,119
-	9,544	-	-
5,886,896	6,022,163	-	34,682
47,540	-	-	-
<u>102,621,067</u>	<u>93,491,763</u>	<u>2,872,636</u>	<u>2,719,241</u>
10,303,337	12,911,310	-	-
171,282,140	166,079,157	52,493	52,493
(78,995,345)	(73,943,667)	(51,166)	(47,188)
<u>102,590,132</u>	<u>105,046,800</u>	<u>1,327</u>	<u>5,305</u>
102,590,132	105,046,800	1,327	5,305
<u>205,211,199</u>	<u>198,538,563</u>	<u>2,873,963</u>	<u>2,724,546</u>
1,978,968	2,182,625	-	-
80,977	88,339	-	-
<u>2,059,945</u>	<u>2,270,964</u>	<u>-</u>	<u>-</u>
1,976,590	2,782,167	389,732	435,585
830,232	864,468	-	-
677,547	695,807	-	-
102,507	102,661	23,936	21,275
-	-	1,545,000	1,072,204
<u>2,039,962</u>	<u>2,122,235</u>	<u>-</u>	<u>-</u>
5,626,838	6,567,338	1,958,668	1,529,064
15,218,446	14,415,651	-	-
443,192	479,140	69,816	61,042
-	-	3,483,000	4,339,796
11,151,057	16,235,611	-	-
42,172,340	44,212,303	-	-
<u>68,985,035</u>	<u>75,342,705</u>	<u>3,552,816</u>	<u>4,400,838</u>
74,611,873	81,910,043	5,511,484	5,929,902
<u>3,860,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,860,417	-	-	-
58,458,807	58,800,601	1,327	5,305
1,918,591	4,123,199	-	-
68,421,456	55,975,684	(2,638,848)	(3,210,661)
<u>\$ 128,798,854</u>	<u>\$ 118,899,484</u>	<u>\$ (2,637,521)</u>	<u>\$ (3,205,356)</u>
<u>\$ 1,611,746</u>	<u>\$ 1,444,834</u>		
<u>\$ 130,410,600</u>	<u>\$ 120,344,318</u>		

City of San Bruno
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Business Type Activities - Enterprise Funds			
	Water	Stormwater	Wastewater	CityNet
OPERATING REVENUES:				
Charges for services:				
Water sales	\$ 16,581,226	\$ -	\$ -	\$ -
Sewer service charges	-	-	19,262,372	-
Cable television charges	-	-	-	8,549,101
Other service charges	189,728	562,453	112,431	17,030
Other operating revenue	3,333	491,873	3,333	-
Total operating revenues	16,774,287	1,054,326	19,378,136	8,566,131
OPERATING EXPENSES:				
Water supply	9,486,358	-	-	-
Distribution	-	1,420,201	-	-
Treatment	-	-	9,111,455	-
Cable operations	-	-	-	9,150,862
Central garage	-	-	-	-
Insurance expenses	-	-	-	-
Technology support	-	-	-	-
Facilities maintenance	-	-	-	-
Depreciation and amortization	1,814,297	224,232	2,838,249	275,264
Total operating expenses	11,300,655	1,644,433	11,949,704	9,426,126
Operating income (loss)	5,473,632	(590,107)	7,428,432	(859,995)
NONOPERATING REVENUES (EXPENSES):				
Investment income	304,486	4,299	299,721	-
Interest and debt service expenses	(415,933)	-	(1,143,486)	(1,298)
Total nonoperating revenues (expenses)	(111,447)	4,299	(843,765)	(1,298)
Income before contributions and transfers	5,362,185	(585,808)	6,584,667	(861,293)
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	1,000,000	-	250,000
Transfers out	(457,100)	-	(1,207,882)	(185,399)
Total contributions and transfers	(457,100)	1,000,000	(1,207,882)	64,601
Change in net position	4,905,085	414,192	5,376,785	(796,692)
NET POSITION:				
Beginning of year	65,328,839	5,000,712	66,448,893	(17,878,960)
End of year	\$ 70,233,924	\$ 5,414,904	\$ 71,825,678	\$ (18,675,652)
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 73,513	\$ 2,646	\$ 103,842	\$ (13,089)
Change in net position of business-type activities - End of year	\$ 4,978,598	\$ 416,838	\$ 5,480,627	\$ (809,781)

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
Totals		Totals	
2022	2021	2022	2021
\$ 16,581,226	\$ 17,602,299	\$ -	\$ -
19,262,372	18,298,857	-	-
8,549,101	9,003,534	-	-
881,642	919,585	6,497,974	6,203,732
498,539	97,118	-	34,681
<u>45,772,880</u>	<u>45,921,393</u>	<u>6,497,974</u>	<u>6,238,413</u>
9,486,358	10,443,967	-	-
1,420,201	1,145,558	-	-
9,111,455	8,990,002	-	-
9,150,862	9,513,308	-	-
-	-	744,855	732,601
-	-	2,438,620	2,853,629
-	-	1,268,418	966,026
-	-	1,917,707	1,596,561
5,152,042	5,150,972	3,978	3,979
<u>34,320,918</u>	<u>35,243,807</u>	<u>6,373,578</u>	<u>6,152,796</u>
11,451,962	10,677,586	124,396	85,617
608,506	498,412	-	-
(1,560,717)	(1,623,540)	-	-
<u>(952,211)</u>	<u>(1,125,128)</u>	<u>-</u>	<u>-</u>
<u>10,499,751</u>	<u>9,552,458</u>	<u>124,396</u>	<u>85,617</u>
1,250,000	500,000	443,439	90,000
(1,850,381)	(298,642)	-	-
<u>(600,381)</u>	<u>201,358</u>	<u>443,439</u>	<u>90,000</u>
9,899,370	9,753,816	567,835	175,617
<u>118,899,484</u>	<u>109,145,668</u>	<u>(3,205,356)</u>	<u>(3,380,973)</u>
<u>\$ 128,798,854</u>	<u>\$ 118,899,484</u>	<u>\$ (2,637,521)</u>	<u>\$ (3,205,356)</u>

\$ 166,912	\$ (13,465)
<u>\$ 10,066,282</u>	<u>\$ 9,740,351</u>

City of San Bruno

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Business Type Activities - Enterprise Funds			
	Water	Stormwater	Wastewater	CityNet
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -
Cash receipts from customers	16,838,521	873,545	19,534,594	8,605,231
Cash payments to suppliers for goods and services	(9,350,278)	(1,290,181)	(10,244,341)	(9,089,653)
Cash (payments) receipts to employees for services	(343,970)	(46,986)	(297,233)	(361,031)
Cash reimbursements for loss claims	-	-	-	-
Net cash provided by (used in) operating activities	7,144,273	(463,622)	8,993,020	(845,453)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances from other funds	-	-	-	971,766
Advance repayments to other funds	-	-	-	(168,971)
Transfers received from other funds	-	1,000,000	-	250,000
Transfers paid to other funds	(457,100)	-	(1,207,882)	(185,399)
Net cash provided by (used in) noncapital financing activities	(457,100)	1,000,000	(1,207,882)	867,396
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(936,203)	(586,221)	(1,152,305)	(20,645)
Principal payments on long-term debt	(261,555)	-	(1,860,681)	-
Interest paid on long-term debt	(420,333)	-	(1,173,322)	(1,298)
Net cash provided by (used in) capital and related financing activities	(1,618,091)	(586,221)	(4,186,308)	(21,943)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (expense)	304,486	4,299	299,721	-
Net cash provided by (used in) investing activities	304,486	4,299	299,721	-
Net cash flows	5,373,568	(45,544)	3,898,551	-
CASH AND INVESTMENTS - Beginning of year	42,921,422	719,837	43,818,797	-
CASH AND INVESTMENTS - End of year	\$ 48,294,990	\$ 674,293	\$ 47,717,348	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 5,473,632	\$ (590,107)	\$ 7,428,432	\$ (859,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,814,297	224,232	2,838,249	275,264
(Increase) decrease in current assets:				
Taxes receivable	-	9,544	-	-
Accounts receivable	111,774	(190,325)	156,458	57,360
Other receivable	-	-	-	-
Prepaid items	(47,540)	-	-	-
(Increase) decrease in deferred outflows of resources	65,060	8,790	65,986	71,183
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	136,080	130,020	(1,132,886)	61,209
Unearned revenue	-	-	-	(18,260)
Compensated absences	(17,971)	(2,938)	(10,844)	(4,349)
Net pension liability	(1,624,297)	(219,466)	(1,463,618)	(1,777,173)
Claims liability	-	-	-	-
Increase (decrease) in deferred inflows of resources	1,233,238	166,628	1,111,243	1,349,308
Net cash provided by (used in) operating activities	\$ 7,144,273	\$ (463,622)	\$ 8,993,020	\$ (845,453)

Business-Type Activities - Enterprise Funds Totals		Governmental Activities - Internal Service Funds Totals	
2022	2021	2022	2021
\$ -	\$ -	\$ 6,532,656	\$ 6,258,363
45,851,891	45,361,254	-	-
(29,974,453)	(32,317,388)	(6,788,018)	(6,115,976)
(1,049,220)	445,882	-	-
-	-	-	476,000
14,828,218	13,489,748	(255,362)	618,387
971,766	490,799	-	-
(168,971)	(168,086)	-	-
1,250,000	500,000	443,439	-
(1,850,381)	(298,642)	-	90,000
202,414	524,071	443,439	90,000
(2,695,374)	(8,198,716)	-	-
(2,122,236)	(1,921,195)	-	-
(1,594,953)	(1,750,697)	-	-
(6,412,563)	(11,870,608)	-	-
608,506	496,228	-	-
608,506	496,228	-	-
9,226,575	2,639,439	188,077	708,387
87,460,056	84,820,617	2,684,559	1,976,172
\$ 96,686,631	\$ 87,460,056	\$ 2,872,636	\$ 2,684,559
\$ 11,451,962	10,636,031	124,396	85,617
5,152,042	5,150,972	3,978	3,979
9,544	-	-	-
135,267	(9,544)	34,682	(34,682)
-	(501,931)	-	233
(47,540)	-	-	-
211,019	(371,036)	-	-
(805,577)	(2,173,454)	89,043	67,290
(18,260)	(58,208)	-	-
(36,102)	94,106	(123,461)	19,950
(5,084,554)	1,010,002	-	-
-	(287,190)	(384,000)	476,000
3,860,417	-	-	-
\$ 14,828,218	\$ 13,489,748	\$ (255,362)	\$ 618,387

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FIDUCIARY FUNDS

Fiduciary funds are used to report assets held for fiduciary activities, which may be carried out by primary governments or their component units. Fiduciary funds may be (1) held for legally established trust funds or similar arrangements, or (2) held outside of a trust exclusively for the benefit of individuals or organizations and used for activities that meet the criteria to be treated as fiduciary activities.

Redevelopment Agency Obligation Retirement Trust Fund

To account for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the San Bruno Redevelopment Agency was dissolved February 1, 2012.

Recology San Bruno Custodial Fund

To account for funds billed, collected, and remitted to Recology San Bruno for waste management services within the City.

City of San Bruno
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022 (with comparative totals for June 30, 2021)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2022	2021	2022	2021
ASSETS				
Cash and investments	\$ 1,856,902	\$ 2,207,987	\$ 590,885	\$ 531,720
Cash and investments with fiscal agent	9	5	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	761,248	790,645
Interest receivable	-	-	-	-
Loans receivable	-	-	-	-
Other receivable	-	-	-	-
Prepaid items	-	-	-	-
Total assets	1,856,911	2,207,992	1,352,133	1,322,365
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	33,429	44,573	-	-
Total deferred outflows of resources	33,429	44,573	-	-
LIABILITIES				
Accounts payable	3,350	197,595	1,350,223	1,320,570
Interest payable	26,342	28,608	-	-
Deposits payable	-	-	-	-
Other liabilities	-	-	1,910	1,795
Long-term liabilities:				
Long-term debt - due within one year	350,000	392,422	-	-
Long-term debt - due in more than one year	3,836,798	4,186,798	-	-
Total liabilities	4,216,490	4,805,423	1,352,133	1,322,365
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	-	-	-
Net position held in trust	(2,326,150)	(2,552,858)	-	-
Total Net Position	\$ (2,326,150)	\$ (2,552,858)	\$ -	\$ -

City of San Bruno

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2022	2021	2022	2021
ADDITIONS:				
Administration allowance	\$ 9	\$ 23,861	\$ -	\$ -
Taxes	350,417	1,099,226	-	-
Charges for services	-	-	8,987,351	8,577,163
Other revenues	7,737	5	-	-
Total additions	358,163	1,123,092	8,987,351	8,577,163
DEDUCTIONS:				
Community development	3,350	216,754	-	-
Franchise fees to City	-	-	904,546	866,069
AB939 fees to City	-	-	90,455	86,607
Remittances to Recology	-	-	7,992,350	7,624,487
Interest and fiscal charges	128,105	130,061	-	-
Total deductions	131,455	346,815	8,987,351	8,577,163
Change in net position	226,708	776,277	-	-
NET POSITION:				
Beginning of year	(2,552,858)	(3,329,135)	-	-
End of year	\$ (2,326,150)	\$ (2,552,858)	\$ -	\$ -

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, the City of San Bruno (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Related Organizations

The San Bruno Community Foundation (Foundation) is a California nonprofit corporation which was organized in 2013 as a public benefit 501(c)(3) nonprofit corporation and has been determined to be a Type I supporting organization under Section 509(a)(3) of the Internal Revenue Code. Pursuant to the settlement agreement dated March 12, 2012, between Pacific Gas & Electric Company (PG&E) and the City of San Bruno, both parties agreed to resolve and settle all claims arising out of the September 9, 2010, pipeline incident. The terms required PG&E to contribute a total of \$70 million to the City, which comprised of 1) five vacant plots of land in the Glenview (Crestmoor) neighborhood, which had a total fair market value of \$1,250,000 and 2) \$68,750,000 in cash, to transfer to a tax-exempt, nonprofit public purpose entity. Hence, the Foundation was created from the Settlement Agreement. The Foundation engages primarily in the administration of PG&E restitution funds. The election of the Foundation's Board is controlled by the City. Separate financial statements for the Foundation may be obtained by contacting the San Bruno Community Foundation, 901 Sneath Lane, Ste. 209, San Bruno, CA 94066.

In the fiscal year ended June 30, 2022, The Foundation provided the City \$10,192,085 in grant funding for the Recreation and Aquatics Center project, \$10,000 for the COVID-19 rapid tests, and \$15,000 for the reduction of negative impacts of drugs on families. The City has recorded \$235,455 in receivables from the Foundation as of June 30, 2022.

C. Basis of Presentation

Government-Wide Financial Statements - The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund balance/net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- (a) Total assets, deferred outflows of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
- (b) Total assets, deferred outflows of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. However, some funds are reported as major funds due to the significance to the users of the financial statements.

The major funds of the financial reporting entity are described below.

Government Activities

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Parks and Facilities Capital Improvement - Accounts for funds expended on the improvement and development of the City's facilities, infrastructure, major equipment and technological upgrades used to deliver services to the community. Funding comes from the General Fund, grants, and other sources.

Business-type Activities

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

Water Fund - Accounts for water services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

Stormwater Fund - Accounts for storm drain system maintenance, street sweeping and other related activities to the citizens of San Bruno. Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system and street sweeping charges.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Wastewater Fund - Accounts for sanitary sewer services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, treatment.

CityNet Fund - Accounts for operating costs associated with administering the cable television franchise.

The City also reports the following fund types:

Internal Service Funds - The Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service funds are used to account for central garage, insurance programs, technology development, and facility maintenance. These funds are eliminated as part of the reconciliation process and treated as governmental activities, since these are the primary funds served.

Fiduciary Funds - These funds include: Redevelopment Agency Obligation Retirement Trust Fund - which accounts for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency; and Recology San Bruno Custodial Fund - which accounts for funds billed, collected, and remitted to Recology San Bruno for waste management services within the City.

D. Measurement Focus

Measurement focus is a term used to describe how transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus, Continued

- (b) The enterprise and internal service funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Enterprise and internal service fund equity is classified as net position.
- (c) Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the City.

E. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period, considered to be 60 days, or soon enough thereafter to pay current liabilities. Major revenue sources meeting this criterion are property taxes, sales taxes, grants and interest. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The enterprise, internal service and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Assets, Liabilities, and Equity

F. Cash Deposits and Investments

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Cash Deposits and Investments, Continued

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money 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 in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Market value is used as fair value for those securities for which market quotations are readily available.

The City indirectly participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which invests 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 such as changes in interest rates.

G. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds."

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3 for details of interfund transactions, including receivables and payables at year-end.

H. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales and use taxes, franchise taxes, intergovernmental subventions, interest earnings, paramedic service, and expense reimbursements.

Business-type activities report service charges and expense reimbursements as its major receivables. In the fund financial statements, significant receivables in governmental funds include revenue accruals such as property tax, sales tax, transient occupancy tax, franchise tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Receivables, Continued

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Customer and intergovernmental accounts receivable comprise the majority of proprietary fund receivables.

I. Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the City has therefore chosen to report these items as expenditures/expenses at the time of purchase.

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost if actual is available. Policy has set the capitalization threshold for reporting capital assets at \$10,000. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems and are capitalized at \$100,000.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements - Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	25 - 40 years
Buildings and improvements	20 - 30 years
Machinery and equipment	3 - 15 years
Water	5 - 40 years
Stormwater	5 - 40 years
Wastewater	5 - 40 years
Cable television	5 - 40 years

Fund Financial Statements - In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists of bonds, finance purchase agreements, compensated absences and a liability for claims.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

L. Compensated Absences

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave. The current portion of this debt is estimated based on historical trend and funded in the individual fund generating the liability with the long-term portion shown as a long-term liability.

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Balance as of June 30, 2021	\$ 2,870,027	\$ 581,801	\$ 3,451,828
Additions	678,088	113,072	791,160
Payments	(788,504)	(149,174)	(937,678)
Balance as of June 30, 2022	<u>2,759,611</u>	<u>545,699</u>	<u>3,305,310</u>
Current Portion	<u>\$ 522,514</u>	<u>\$ 102,507</u>	<u>\$ 625,021</u>

M. Pensions

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 (the Plan) and additions to/deductions from the Plan 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.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. 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.

Revenues, Expenditures, and Expenses

O. Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within sixty days after year end.

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Delinquent Date	December 10 and April 10

Property taxes attach annually as an enforceable lien as of January 1. Taxes are levied on July 1, are payable in two installments, and are delinquent after December 10 and April 10. All general property taxes are then allocated by the San Mateo County Controller's Office to the various taxing entities in accordance with Proposition 13. Property tax revenues are recognized when levied to the extent that they are measurable and that they will be received in 60 days. Since the County utilizes the Teeter system of allocation, all property tax revenue is allocated to the City and accounted for as revenue in the fiscal year that it is levied.

P. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental funds - by character
- Current (further classified by function)
- Capital outlay
- Debt service

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Expenditures/Expenses, Continued

In the fund financial statements, governmental funds report expenditures of current financial resources.

Q. Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated with internal balances (between governmental and business-type activities) remaining on the statement of net position.

R. Prior Year Comparative Financial Information

The basic financial statements included certain prior year summarized comparative information. This information has been included for comparison purposes and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected data was derived. Certain minor reclassifications of prior year data may have been made in order to enhance their comparability with current year figures.

S. Use of Estimates

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

T. Budgetary Policies

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
- (b) Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary fund types.
- (c) Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

T. Budgetary Policies, Continued

- (d) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2022 based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
- (e) Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.
- (f) Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.
- (g) Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.
- (h) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

U. Fair Value Measurements

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

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

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

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

V. Loans Receivable – Related Parties

The City routinely loans funds to employees, including to the City Manager, for the purchase of a primary residence within the City limits. Amounts range from \$65,000-\$200,000. The interest rate on these loans is set at the Local Agency Investment Fund (LAIF) interest rate. At June 30, 2022, six employees such loans were outstanding for an amount totaling \$749,809 owed to the City. Loans must be paid off within 15 years, or earlier if one of the following occurs: a) Six months following termination of the employee's employment with the City, b) three months following the employee no longer living at the residence. During the fiscal year, the City made new loans in the amount of \$95,000, and employees paid \$120,997 in principal.

W. New Pronouncements

The City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 87, *Leases* – The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 89, *Construction-period interest* – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, *Omnibus 2020* – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 93, *Interbank offered rates (LIBOR removal and lease modifications)* – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement did not apply to the City for the current fiscal year.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

W. New Pronouncements

- GASB Statement No. 99, *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement did not apply to the City for the current fiscal year.

2. CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end.

A. Classification

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

Cash and investments as of June 30, 2022, consisted of the following:

	<u>Amount</u>
<i>Statement of Net Position</i>	
Cash and investments	\$ 157,370,778
Restricted cash and investments held by fiscal agents	<u>2,060,402</u>
Total cash and investments in primary government	<u>\$ 159,431,180</u>
 <i>Statement of Fiduciary Net Position</i>	
Cash and Investments	
Private Purpose Trust Funds	1,856,902
Custodial Funds	590,885
Restricted cash investments held by fiscal agents	<u>9</u>
Total cash and investments in fiduciary	<u>2,447,796</u>
Total cash and investments	<u><u>\$ 161,878,976</u></u>

Cash and investments with original maturities of three months or less are treated as cash and equivalents for the purpose of preparing Proprietary Fund statements of cash flows. Also, each Proprietary Funds' portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

B. Investments Authorized by the California Government Code and the City's Investment Policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

During the year ended June 30, 2022, the City's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
U.S. Treasury bills, bonds, notes, obligations	5 years	None	None	None
U.S. agency securities	5 years	AA+	75%	None
Commercial paper	270 days	A-1	25%	10%
LAIF	N/A	None	State \$ Limit	N/A
San Mateo County pool	N/A	None	20%	N/A
Non-negotiable certificates of deposit	5 years	A	15%	5%
California municipal bonds	5 years	AA	30%	5%
Money market funds	N/A	N/A	20%	N/A

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

B. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

The City complied with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments. This allows the City to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized market gains and losses.

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

Cash and Investments	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasuries & Agencies	\$ -	\$ 14,088,635	\$ 55,947,251	\$ 70,035,886
Municipal Bonds	-	-	25,348,013	25,348,013
Local Agency Investment Fund	26,560,725	-	-	26,560,725
San Mateo County Investment Pool	25,181,242	-	-	25,181,242
Certificate of Deposit	-	-	483,645	483,645
Money Market Funds	2,195,742	-	-	2,195,742
Subtotal Investment	<u>\$ 53,937,709</u>	<u>\$ 14,088,635</u>	<u>\$ 81,778,909</u>	<u>\$ 149,805,253</u>
Cash in bank and on hand				<u>12,073,723</u>
Total Cash and Investments				<u>\$ 161,878,976</u>

The City's investments in U.S. Treasuries, U.S. Agencies, and municipal bonds had a weighted average maturity of 3.2 years at June 30, 2022.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk, Continued

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF management calculates the fair value and cost of the entire LAIF pool. The City adjusts its cost basis invested in LAIF to fair value based upon this factor. The City's investments with LAIF at June 30, 2022, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$26,560,725 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.987125414 was used to calculate the fair value of the investments in LAIF.

The City invests in the San Mateo County Pooled Investment Fund (SMCPIF), an external investment pool. The pool determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and valuations are based on amortized cost or best estimate for those securities where market value is not readily available. The responsibility for managing the SMCPIF resides with the County Treasurer. The County Board of Supervisors, in consultation with the Treasurer, establishes an eight-member County Treasury Oversight Committee pursuant to California Government Code Section 27130. The investment program is supervised within the guidelines set forth in the investment policy developed by the Treasurer, reviewed and approved annually by the County Treasury Oversight Committee and the County Board of Supervisors.

The SMCPIF fair value factor is determined by dividing all SMCPIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 0.9688. The financial statements for the San Mateo County are available in the San Mateo County website at www.co.sanmateo.ca.us.

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.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

D. Fair Value Hierarchy, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

<i>Investments by Fair Value Level:</i>	Level 2	Total
U.S. Treasuries & Agencies	\$ 70,035,886	\$ 70,035,886
Municipal Bonds	25,348,013	25,348,013
Certificate of Deposit	483,645	483,645
Money Market Mutual Fund	2,195,742	2,195,742
Totals	\$ 98,063,286	\$ 98,063,286

Investments Measured Using Fair Value Factor:

Local Agency Investment Fund (LAIF)	26,560,725
San Mateo County Investment Pool	25,181,242
Totals	51,741,967
Total Investments	\$ 149,805,253

Federal Agency Securities, classified in Level 2 of the fair value hierarchy, are valued using a quoted price in a non-active market for an identical asset. Municipal Bonds, classified in Level 2 of the fair value hierarchy, are valued using yield to maturity quoted price. These prices are obtained from various pricing sources by the custodian bank. The California Local Agency Investment Fund (LAIF) and San Mateo County Investment Pool are classified as exempt in the fair value hierarchy, as they are valued at amortized cost, which is exempt from being classified under GASB 72. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As disclosed in Note 2B, State law and the City's investment Policy limit the City's investments to certain minimum credit ratings. Minimal credit ratings are also established by the bond indentures in the case of cash and investments held by fiscal agents. Presented below is the actual rating as of June 30, 2022, for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Aa1	Aa2	Aa3	Total
U.S. Government Agencies	\$ 1,055,332	\$ -	\$ -	\$ -	\$ 1,055,332
U.S. Treasury Notes	65,198,754	-	-	-	65,198,754
Municipal Bonds	2,753,500	2,891,600	12,060,250	3,760,090	21,465,440
Totals	69,007,586	2,891,600	12,060,250	3,760,090	87,719,526
Not Rated:					
U.S. Treasury Notes					3,781,800
Municipal Bonds ¹					3,882,573
Money Market Funds					2,195,742
Certificate of Deposit					483,645
Local Agency Investment Fund (LAIF)					26,560,725
San Mateo County Investment Pool					25,181,242
Total Investments					<u>\$ 149,805,253</u>

¹ S&P ratings for these bonds range from AA- to AA

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. TRANSFERS AMONG FUNDS

A. Transfers Among Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2022, were as follows:

Transfers Out	Transfers In						Total
	General Fund	Parks and Facilities	Non-Major Governmental Funds	Stormwater	CityNet	Internal Service Funds	
Major Funds:							
General Fund	\$ -	\$ 500,000	\$ 1,634,449	\$ 1,000,000	\$ 250,000	\$ 443,439	\$ 3,827,888
Parks and Facilities	690,904	-	1,070	-	-	-	691,974
Non-Major Governmental Funds	2,643,313	745,336	4,017,802	-	-	-	7,406,451
Major Enterprise Funds:							
Water	457,100	-	-	-	-	-	457,100
Wastewater	1,207,882	-	-	-	-	-	1,207,882
CityNet	95,399	90,000	-	-	-	-	185,399
Total	\$ 5,094,598	\$ 1,335,336	\$ 5,653,321	\$ 1,000,000	\$ 250,000	\$ 443,439	\$13,776,694

General Fund

Transfers from the General Fund to Parks and Facilities, CityNet, \$352,027 to the non-major governmental funds, and all transfers to internal service funds were to support budgeted capital projects. The purpose of transferring \$1,282,422 from the General Fund to the Non-Major Governmental Funds was to make payments on long-term debt.

Transfers to the General Fund from the Wastewater and Water funds, \$42,270 from the Parks and Facilities fund, and \$850,000 from the non-major governmental funds were to support capital projects. \$200,000 from non-major governmental funds was used to support the police department. The purpose of the remainder of the transfers in to the General Fund were to return unspent project monies.

Parks and Facilities Capital Improvement Fund

Transfers in to the Parks and Facilities fund from the non-major governmental funds and the CityNet Fund were for capital projects. Transfers out to the non-major governmental funds from the Parks and Facilities fund were to support capital projects.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. TRANSFERS AMONG FUNDS, Continued

B. Interfund Advances

During fiscal year 2016, the General Fund loaned the CityNet Services Enterprise Fund \$1,170,000 for a Fiber to Home project at the Shelter Creek Condominiums. The advance accrues interest at a 0.525% annual interest rate for seven years. At June 30, 2022, the balance of the advance was \$155,671. For multiple fiscal years, CityNet Services Enterprise Fund has had a negative cash balance. The City is developing a plan to reduce the net operating loss and repay the General Fund the balance due. At June 30, 2022, the cash balance due to the General Fund was \$15,062,775.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
City Net Services Enterprise Fund	General Fund	\$15,218,446
Federal/State Grant Special Revenue Fund (nonmajor)	General Fund	98,449
	Total	<u>\$ 15,316,895</u>

4. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Governmental activities capital assets as of June 30, 2022 comprise:

	Balance July 1, 2021	Additions	Retirements/ Transfers	Balance June 30, 2022
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land	\$ 4,649,235	\$ -	\$ -	\$ 4,649,235
Construction in progress	7,964,654	13,761,254	(952,687)	20,773,221
Total capital assets not being depreciated	<u>12,613,889</u>	<u>13,761,254</u>	<u>(952,687)</u>	<u>25,422,456</u>
Capital assets being depreciated:				
Buildings and improvements	16,603,403	264,906	-	16,868,309
Machinery, improvements and equipment	17,503,284	1,871,978	(140,722)	19,234,540
Infrastructure	99,188,781	841,082	952,687	100,982,550
Total capital assets being depreciated	<u>133,295,468</u>	<u>2,977,966</u>	<u>811,965</u>	<u>137,085,399</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,706,288)	(515,612)	-	(10,221,900)
Machinery, improvements and equipment	(12,761,730)	(912,937)	140,722	(13,533,945)
Infrastructure	(53,896,896)	(2,370,928)	-	(56,267,824)
Total accumulated depreciation	<u>(76,364,914)</u>	<u>(3,799,477)</u>	<u>140,722</u>	<u>(80,023,669)</u>
Net capital assets being depreciated	<u>56,930,554</u>	<u>(821,511)</u>	<u>952,687</u>	<u>57,061,730</u>
Governmental Activities capital assets, net	<u>\$ 69,544,443</u>	<u>\$ 12,939,743</u>	<u>\$ -</u>	<u>\$ 82,484,186</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. CAPITAL ASSETS, Continued

A. Capital Asset Additions and Retirements, Continued

Business-type activities capital assets as of June 30, 2022 comprise:

	Balance July 1, 2021	Additions	Retirements/ Transfers	Balance June 30, 2022
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	12,334,468	1,832,417	(4,440,390)	9,726,495
Total capital assets not being depreciated	12,911,310	1,832,417	(4,440,390)	10,303,337
Capital assets being depreciated:				
Buildings and improvements	103,320,156	475,974	4,440,390	108,236,520
Machinery, improvements and equipment	33,491,095	97,829	(100,364)	33,488,560
Sewer plant	29,267,906	289,154	-	29,557,060
Total capital assets being depreciated	166,079,157	862,957	4,340,026	171,282,140
Less accumulated depreciation for:				
Buildings and improvements	(30,466,031)	(3,057,765)	-	(33,523,796)
Machinery, improvements and equipment	(26,380,378)	(1,040,286)	100,364	(27,320,300)
Sewer Plant	(17,097,258)	(1,053,991)	-	(18,151,249)
Total accumulated depreciation	(73,943,667)	(5,152,042)	100,364	(78,995,345)
Net capital assets being depreciated	92,135,490	(4,289,085)	4,440,390	92,286,795
Business-type activity capital assets, net	<u>\$105,046,800</u>	<u>\$ (2,456,668)</u>	<u>\$ -</u>	<u>\$ 102,590,132</u>

B. Depreciation Allocation

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

Governmental Activities	Amount
General government	\$ 555,531
Public safety	520,172
Public works	21,383
Streets	2,366,497
Parks and recreation	314,533
Library	10,252
Community and economic development	7,131
Internal service funds	3,978
Total	<u>\$ 3,799,477</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. CAPITAL ASSETS, Continued

B. Depreciation Allocation, Continued

Business-Type Activities	Amount
Water	1,814,297
Stormwater	224,232
Wastewater	1,784,258
SSF Sewer Plant	1,053,991
CityNet	275,264
	<hr/>
Total	<u>\$ 5,152,042</u>

5. LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

A. The City's Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activity - Bonds:					
2013 Pension Obligation Bond	\$ 6,180,000	\$ -	\$ (940,000)	\$ 5,240,000	\$ 970,000
Discount on Pension Obligation Bond	(117,108)	-	19,518	(97,590)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activity - Bonds	6,062,892	-	(920,482)	5,142,410	970,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activity - Direct Borrowings:					
2017 Fire Engine and Truck	90,522	-	(90,522)	-	-
2018 Cable Router	665,719	-	(326,629)	339,090	339,090
2022 Fire Pumper Trucks	-	1,600,000	-	1,600,000	137,156
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activity - Direct Borrowings	756,241	1,600,000	(417,151)	1,939,090	476,246
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 6,819,133</u>	<u>\$ 1,600,000</u>	<u>\$(1,337,633)</u>	<u>\$ 7,081,500</u>	<u>\$ 1,446,246</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

A. The City's Long-Term Debt, Continued

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
Business-Type Activity - Bonds:					
2017 Water Revenue Bond	\$11,070,000	\$ -	\$ (220,000)	\$10,850,000	\$ 230,000
Premium of Revenue Bond	1,121,979	-	(41,554)	1,080,425	-
2017 Wastewater Revenue Bond	23,330,000	-	(470,000)	22,860,000	485,000
Premium of Revenue Bond	2,363,415	-	(87,534)	2,275,881	-
2013 Wastewater Refunding Revenue Bond	4,970,000	-	(320,000)	4,650,000	335,000
Premium of Revenue Bond	214,508	-	(17,878)	196,630	-
Total Business-Type Activity - Bonds	43,069,902	-	(1,156,966)	41,912,936	1,050,000
Business-Type Activity - Direct Borrowings:					
Due to City of South San Francisco					
1997 Loan	1,134,660	-	(560,050)	574,610	574,610
2007 Loan	2,129,976	-	(405,220)	1,724,756	415,352
Total Business-Type Activity - Direct Borrowings	3,264,636	-	(965,270)	2,299,366	989,962
Total Business-Type Activities	\$46,334,538	\$ -	\$ (2,122,236)	\$44,212,302	\$ 2,039,962

B. Governmental Activities

2013 Pension Obligation Bonds

In January 2013, the City issued \$13,175,000 in Series 2013 Pension Obligation Bonds in order to pay off amounts owed for the City's CalPERS "side-fund." Principal payments are due annually on June 1 while interest payments are due semi-annually on June 1 and December 1. True interest cost is 4.05%.

The Pension Obligation Bond debt represents a refunding of a debt that the City owed to CalPERS. The issuance of the Pension Obligation Bonds reduced the interest rate on this debt from 7.5% to just over 4%. The debt service payments are funded through savings achieved in the City's employer contribution rate, which decreased from 36.604% to 24.706% after the payoff of the side fund. Payments are made out of the debt service fund.

The Bonds are payable from any source of legally available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; 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. During fiscal year 2021-22, the City made principal and interest payments totaling \$940,000 and \$240,075, respectively. The bonds mature on June 1, 2027.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

The annual debt service requirement on the 2013 Pension Obligation Bonds is as follows:

2013 Pension Obligation Bonds			
For The Year Ending June 30	Principal	Interest	Total
2023	\$ 970,000	\$ 207,175	\$ 1,177,175
2024	1,005,000	170,800	1,175,800
2025	1,045,000	130,600	1,175,600
2026	1,090,000	88,800	1,178,800
2027	1,130,000	45,200	1,175,200
Subtotal	5,240,000	642,575	5,882,575
Less Discount	(97,590)	-	(97,590)
Total	<u>\$ 5,142,410</u>	<u>\$ 642,575</u>	<u>\$ 5,784,985</u>

Direct Borrowings

In April 2017, the City entered into a \$1,873,846 capital lease-purchase agreement with JP Morgan Chase Bank, N.A. to finance a fire engine and a fire truck. Principal and interest payments were due semi-annually on April 28 and October 28 with an interest rate of 1.89%. Payments were made out of the debt service fund. During fiscal year 2021-22, the City made principal and interest payments totaling \$90,522 and \$855, respectively. The lease purchase agreement was paid in full on October 28, 2021.

In October 2018, the City entered into a \$1,630,339 capital lease-purchase agreement with Key Government Finance, Inc., to purchase router equipment for the Cable Enterprise Fund. Principal payments are due annually on November 26 with an interest rate of 3.75%. The debt payments are made by the General Fund until the Cable Fund recognizes adequate revenue to pay for the annual lease-purchase payments. During fiscal year 2021-22, the City made principal and interest payments totaling \$326,629 and \$25,398, respectively. The lease-purchase agreement will be paid in full on November 26, 2022.

The annual debt service requirement on the 2018 cable router obligation is as follows:

2018 Cable Router Obligation			
For The Year Ending June 30	Principal	Interest	Total
2023	\$ 339,090	\$ 12,937	\$ 352,027
Total	<u>\$ 339,090</u>	<u>\$ 12,937</u>	<u>\$ 352,027</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

In June 2022, the City entered into a \$1,600,000 capital lease-purchase agreement with Western Alliance Equipment Finance, Inc., to purchase two fire pumper trucks. Principal payments are due semi-annually on December 1 and June 1 with an interest rate of 3.35%. The debt payments are made by the debt service fund. The first payment on the debt will be December 1, 2022 and will be paid in full on June 1, 2032.

The annual debt service requirement on the 2022 fire pumper trucks borrowing is as follows:

For the Year Ending June 30	2022 Fire Pumper Trucks Obligation		
	Principal	Interest	Total
2023	\$ 137,156	\$ 51,567	\$ 188,724
2024	141,790	47,828	189,618
2025	146,580	43,038	189,618
2026	151,531	38,086	189,618
2027	156,650	32,967	189,618
2028-2032	866,293	81,795	948,088
Total	\$ 1,600,000	\$ 295,281	\$ 1,895,281

C. Business-Type Activities

2017 Water Revenue Bonds

In December 2017, the San Bruno Public Financing Authority issued \$11.62 million of Series 2017 Water Revenue Bonds to finance the construction of certain improvements to the Water System. Principal payments commenced on July 1, 2018 and are payable annually on July 1. Interest payments are payable on July 1st and January 1st of each year.

The Bonds are payable solely from the Net Revenues of the Water System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; 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. During fiscal year 2021-22, the City made principal and interest payments totaling \$220,000 and \$457,250, respectively. The bonds mature on July 1, 2047.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2017 Water Revenue		
	Principal	Interest	Total
2023	\$ 230,000	\$ 448,250	\$ 678,250
2024	240,000	438,850	678,850
2025	250,000	427,800	677,800
2026	260,000	415,050	675,050
2027	275,000	401,675	676,675
2028-2032	1,600,000	1,781,500	3,381,500
2033-2037	2,010,000	1,367,650	3,377,650
2038-2042	2,405,000	964,100	3,369,100
2043-2047	3,580,000	445,800	4,025,800
Subtotal	10,850,000	6,690,675	17,540,675
Plus Premium	1,080,425	-	1,080,425
Total	\$ 11,930,425	\$ 6,690,675	\$ 18,621,100

2017 Wastewater Revenue Bonds

In December 2017, the San Bruno Public Financing Authority issued \$24.47 million of Series 2017 Wastewater Revenue Bonds to finance the construction of certain improvements to the Wastewater System. Principal payments commenced on July 1, 2018 and are payable annually on July 1. Interest payments are payable on July 1st and January 1st.

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; 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. During fiscal year 2021-22, the City made principal and interest payments totaling \$470,000 and \$963,450, respectively. The bonds mature on July 1, 2047.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2017 Wastewater Revenue		
	Principal	Interest	Total
2023	\$ 485,000	\$ 944,350	\$ 1,429,350
2024	505,000	924,550	1,429,550
2025	525,000	901,325	1,426,325
2026	550,000	874,450	1,424,450
2027	580,000	846,200	1,426,200
2028-2032	3,365,000	3,754,125	7,119,125
2033-2037	4,235,000	2,882,875	7,117,875
2038-2042	5,065,000	2,032,300	7,097,300
2043-2047	7,550,000	940,200	8,490,200
Subtotal	22,860,000	14,100,375	36,960,375
Plus Premium	2,275,881	-	2,275,881
Total	\$ 25,135,881	\$ 14,100,375	\$ 39,236,256

2013 Wastewater Revenue Refunding Bonds

In August 2013, the City paid off the remaining balance or \$7.56 million of 2002 Certificates of Participation by placing the proceeds of new Wastewater Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. All of the amounts held in the escrow fund were applied to pay the prepayment price of the 2002 certificates and, therefore, the 2002 Certificates of Participation were paid-off as of June 30, 2014.

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; 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. During fiscal year 2021-22, the City made principal and interest payments totaling \$320,000 and \$217,200 respectively. The bonds mature on July 1, 2032.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2013 Wastewater Revenue Refunding		
	Principal	Interest	Total
2023	\$ 335,000	\$ 204,263	\$ 539,263
2024	345,000	188,100	533,100
2025	365,000	170,350	535,350
2026	380,000	151,725	531,725
2027	405,000	132,100	537,100
2028-2032	2,300,000	377,438	2,677,438
2033	520,000	11,700	531,700
Subtotal	4,650,000	1,235,676	5,885,676
Plus Premium	196,630	-	196,630
Total	\$ 4,846,630	\$ 1,235,676	\$ 6,082,306

City of South San Francisco Sewer Plant Agreement

The City entered into a joint-ownership agreement with the City of South San Francisco (SSF) to operate a water quality control plant and appurtenant facilities to service both communities. The agreement was entered into in January 1947 and has numerous subsequent amendments that detail various aspects in sharing the capital investment (including related debt service) and operating expenses related to the joint sewage plant. Operating costs of the enterprise are shared in accordance with a formula and division of operation and maintenance cost set forth in an agreement dated April 3, 1972. The most recent arrangement indicates that the City shares in 25.82% of the plant capacity. There are no separately issued financial statements for this agreement.

To finance the expansion of the water quality control plant, the State Water Resources Control Board issued loans directly to SSF totaling \$81,253,444 (\$8.8 million in October 1994, \$50.6 million in August 2003 and \$21.9 million in April 2007). Loan proceeds were disbursed as the projects progressed and debt service payments commenced one year after project completion. As a result of the joint ownership agreement, the City is obligated to SSF for its portion of the loans. The City's portion that was financed through this agreement totaled \$19,170,177 depreciable and payable over a 25-year period. During fiscal year 2021-22, the City made principal and interest payments totaling \$965,271, and \$82,751, respectively. The loans will be paid in full on August 1, 2022 and April 30, 2026.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The City's annual debt service requirements on the loans are as follows:

1997 Loan South San Francisco			
For the Year Ending June 30	Principal	Interest	Total
2023	\$ 574,610	\$ 14,940	\$ 589,549
Total	<u>\$ 574,610</u>	<u>\$ 14,940</u>	<u>\$ 589,549</u>

2007 Loan South San Francisco			
For the Year Ending June 30	Principal	Interest	Total
2023	\$ 415,352	\$ 43,119	\$ 458,471
2024	425,736	32,735	458,471
2025	436,380	22,092	458,472
2026	447,288	11,182	458,470
Total	<u>\$ 1,724,756</u>	<u>\$ 109,128</u>	<u>\$ 1,833,884</u>

D. Fiduciary Funds

The following is a summary of the Redevelopment Obligation Retirement Fund's long-term debt transactions for the year ended June 30, 2022:

	Balance June 30, 2021	Retirements	Balance June 30, 2022	Amount due within one year
2019 Lease Revenue Bonds	\$ 4,055,000	\$ 340,000	\$ 3,715,000	\$ 350,000
Premium on Refunding Bond	524,220	52,422	471,798	-
Total Fiduciary Activity	<u>\$ 4,579,220</u>	<u>\$ 392,422</u>	<u>\$ 4,186,798</u>	<u>\$ 350,000</u>

2019 Lease Revenue Bonds

In 2000, the City issued City of San Bruno Certificates of Participation, Series 2000 (Police Facility Financing) in the original principal amount of \$9,600,000 to fund the construction of the Police Facility. In March 2019, the City paid off the remaining balance of \$6 million of 2000 Certificates of Participation by placing the proceeds of the new Lease Revenue Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. All of the amounts held in the escrow fund were applied to pay the prepayment price of the 2000 Certificates and, therefore, the 2000 Certificates of Participation were paid off as of June 30, 2019.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LONG-TERM DEBT, Continued

D. Fiduciary Funds, Continued

Principal payments are due annually on May 1 and interest payments are due semi-annually on May 1 and November 1. Interest rates range from 4.00% to 5.00%. During fiscal year 2021-22, the City made principal and interest payments totaling \$340,000, and \$171,650, respectively.

The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; 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.

For the Year Ending June 30	2019 Lease Revenue Bonds		
	Principal	Interest	Total
2023	\$ 350,000	\$ 158,050	\$ 508,050
2024	365,000	144,050	509,050
2025	375,000	129,450	504,450
2026	395,000	114,450	509,450
2027	410,000	98,650	508,650
2028-2032	1,820,000	218,800	2,038,800
Subtotal	3,715,000	863,450	4,578,450
Add Premium	471,798	-	471,798
Total	<u>\$ 4,186,798</u>	<u>\$ 863,450</u>	<u>\$ 5,050,248</u>

6. NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

A. Net Position

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. NET POSITION AND FUND BALANCES, Continued

A. Net Position, Continued

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

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

B. Fund Balances

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed. Through a Council Resolution, the City Council has designated the City Manager to determine the amount of assigned fund balances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. NET POSITION AND FUND BALANCES, Continued

C. Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

D. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. Unexpended appropriations lapse at year-end and must be re-appropriated in the following year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Governmental Funds</u>	<u>Amount</u>
Major Funds:	
General Fund	\$ 2,158,860
Parks and Facilities Capital Improvement	<u>37,518,566</u>
Total Major Funds	<u>39,677,426</u>
Non-Major Funds:	
Street Improvement Capital Projects	2,081,149
Other non-major funds	<u>75,375</u>
Total Non-Major Funds	<u>2,156,524</u>
Total	<u><u>\$41,833,950</u></u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balances

Detailed classifications of the City's fund balances, as of June 30, 2022, are below:

Fund Balance Classifications	General Fund	Parks and Facilities Capital Improvement Fund	Other Governmental Funds	Total
Nonspendables:				
Advances to other funds	\$ 15,316,895	\$ -	\$ -	\$ 15,316,895
Total Nonspendable Balances	15,316,895	-	-	15,316,895
Restricted for:				
Disaster recovery	-	-	913,261	913,261
Special Revenue Programs	-	-	9,561,779	9,561,779
Capital Projects	-	36,373,209	5,877,434	42,250,643
Affordable Housing Activities	-	-	700,649	700,649
Debt Service	-	-	196	196
Total Restricted Fund Balances		36,373,209	17,053,319	53,426,528
Assigned to:				
General Fund Reserve	12,340,108	-	-	12,340,108
General Fund Contingency	4,168,818	-	-	4,168,818
Emergency Disaster Reserve	2,777,340	-	-	2,777,340
Capital Improvement/One-Time Initiative Reserve	4,600,000	-	-	4,600,000
Encumbrances	2,158,860	-	-	2,158,860
Total Assigned Fund Balances	26,045,126	-	-	26,045,126
Unassigned	5,234,248	(36,543,387)	(74,235)	(31,383,374)
Total Unassigned Fund Balances	5,234,248	(36,543,387)	(74,235)	(31,383,374)
Total Fund Balances	\$ 46,596,269	\$ (170,178)	\$ 16,979,084	\$ 63,405,175

The City established a reserve policy in January 2013 by resolution. The policy, based on a risk analysis specific to the City and other considerations such as the size of the City, budget practices, and debt levels, establishes targeted levels for the General Fund Reserve (25% of budgeted expenditures), General Fund Contingency (minimum \$1,500,000) and Capital Improvement/One-Time Initiative Reserve (minimum \$5,000,000). The actual reserve levels are adopted by resolution with each annual budget, or as recommended by the Finance Director based upon an update of the City's fiscal needs. As the City Council and management can only use reserves for purposes consistent with the purposes described in the policy, these reserve amounts are reported as assignments of the General Fund's balance.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balances, Continued

The General Fund Reserve can only be utilized through resolution of the City Council. Appropriations of these funds are reserved for the following situations: A decrease in revenues in excess of 5% of total budgeted General Fund revenues within one year, the loss of revenues from another government entity, and one-time, non-recurring initiatives of the City Council deemed of significant importance to the City. The balance at June 30, 2022 was \$12,340,108.

The General Fund Contingency Reserve can be utilized through resolution for a budget appropriation deemed appropriate by City Council. The balance at June 30, 2022 was \$4,168,818.

The Emergency Disaster Reserve is intended to be utilized in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget. The Emergency Disaster Reserve can only be utilized through resolution of the City Council declaring an emergency. Upon such declaration, it would be the intent of the City to utilize the Emergency Disaster Reserve for all costs associated with the City's response to the emergency situation prior to any other reserve funds. The balance at June 30, 2022 was \$2,777,340.

The Capital Improvement/One-Time Initiative Reserve Fund is available for the capital improvement program projects and initiatives of significant importance to the City that have no other dedicated funding source. These projects include improvements to City facilities, parks, and technology. The balance at June 30, 2022 was \$4,600,000.

Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled. The total encumbrances at June 30, 2022 were \$2,158,860.

F. Net Position and Fund Balance Deficits

The City has a deficit net position of \$18,675,652 in the CityNet Services Enterprise Fund, which will be funded through additional revenues expected from offering higher margin cable and internet packages and expense reductions. The City also has a deficit net position of \$3,463,603 in the Self Insurance Internal Service Fund which will be funded by future cost allocations from other funds.

The City has a deficit fund balance of \$170,178 in the Parks and Facilities Capital Improvement Fund and \$74,235 in the Federal/State Grants Special Revenue Fund. These will be funded by contributions from other funds and future revenues, respectively.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

7. RISK MANAGEMENT

The City participates in the PLAN JPA, a joint powers authority established to provide liability insurance coverage, claims, risk management, and legal defense to its participating members. PLAN JPA provides \$5,000,000 per occurrence of general liability and automobile coverage, \$25,000,000 excess liability coverage per occurrence, \$5,000,000 of catastrophic liability coverage, and is responsible for paying the claims in excess of the City’s \$100,000 self-insurance retention. PLAN JPA also provides for property coverage up to \$1 billion per occurrence subject to lower categorical sub-limits in excess of the City’s self-insurance retention of \$5,000 or property and vehicle loss.

The retained earnings/net position of the Self-Insurance Fund, which is categorized as part of Governmental Activities, represent amounts set aside for possible additional losses after providing for actuarially determined liabilities for claims including claims adjustment expenses.

No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the past three years. As of June 30, 2022, claims payable are as follows:

Claims payable June 30, 2020	\$ 4,936,000
Changes to estimated claims liability	1,329,576
Claims paid	<u>(853,576)</u>
Claims payable June 30, 2021	<u>5,412,000</u>
Changes to estimated claims liability	488,707
Claims paid	<u>(872,707)</u>
Claims payable June 30, 2022	<u>\$ 5,028,000</u>
Current Portion	<u><u>\$ 1,545,000</u></u>

8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

A. General Information about the Pension Plans and Summary of Balances by Plan

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

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

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

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate

Actuarial Assumptions - For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	6/30/2020
Measurement Date	6/30/2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Morality Rate Table(1)	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor
Post Retirement Benefit Increase	on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plans assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability for each Plan.

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate, Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class(a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
Total	100%		

(a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% is used this period.

(c) An expected inflation of 2.92% is used this period.

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 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.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate, Continued

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources, and pension expense by Plan:

	Deferred Outflow of Resources	Net Pension Liability/Proportionate Share of the Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$ 5,966,246	\$ 33,618,509	\$ 11,638,490	\$ 2,320,146
Safety	13,424,927	34,593,086	\$23,744,678	7,403,865
	<u>\$ 19,391,173</u>	<u>\$ 68,211,595</u>	<u>\$ 35,383,168</u>	<u>\$ 9,724,011</u>

A summary of the changes in net pension liability by plan type as of June 30, 2021 and June 30, 2022 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total - Both Plans
6/30/2021	\$ 48,947,544	\$ 53,531,797	\$ 102,479,341
6/30/2022	33,618,509	34,593,086	68,211,595
Change-Increase (Decrease)	\$ (15,329,035)	\$ (18,938,711)	\$ (34,267,746)

C. CalPERS Miscellaneous Plan

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	2.7% @ 55	2% @ 62
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 67	52 - 67
Retirement age	2.0% - 2.7%	1.0% - 2.5%
Monthly benefit, as a % of eligible compensation	8%	6.25%
Required employee contribution rates	10.970%	10.970%
Required employer contribution rates	\$3,783,031	\$0
Required UAL payment		

Beginning in fiscal year 2016, CalPERS collects employer contributions for the miscellaneous plan as a percentage of the payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31. The City's required contribution for the unfunded liability in the Miscellaneous Plan was \$3,783,031 in fiscal year 2022.

Employees Covered - At the measurement date June 30, 2021, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	278
Inactive employees entitled to but not yet receiving benefits	186
Active employees	155
Total	619

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 San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Net Pension Liability - The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$152,189,169	\$103,241,625	\$48,947,544
Changes in the year:			
Service cost	2,603,128		2,603,128
Interest on the total pension liability	10,739,952		10,739,952
Changes of benefit terms			
Changes in assumptions			
Differences between actual and expected experience	613,120		613,120
Plan to plan resource movement			
Contribution - employer		5,012,295	(5,012,295)
Contribution - employee		1,051,962	(1,051,962)
Net investment income		23,324,110	(23,324,110)
Benefit payments, including refunds of employee contributions	(7,789,485)	(7,789,485)	-
Administrative expense		(103,132)	103,132
Other Miscellaneous Income/Expense			
Net changes	6,166,715	21,495,750	(15,329,035)
Balance at June 30, 2021 (Measurement Date)	\$158,355,884	\$124,737,375	\$33,618,509

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, 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 one-percentage point lower or one-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 54,382,319
Current Discount Rate	7.15%
Net Pension Liability	\$ 33,618,509
1% Increase	8.15%
Net Pension Liability	\$ 16,458,641

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2022, the City recognized pension expense of \$2,320,146 for the Miscellaneous Plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,366,996	\$ -
Differences between actual and expected experience	599,250	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	11,638,490
Total	<u>\$ 5,966,246</u>	<u>\$ 11,638,490</u>

A total of \$5,366,996 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense (income) as follows:

Year Ended June 30	
2023	\$ (2,496,632)
2024	(2,550,297)
2025	(2,789,460)
2026	(3,202,851)

D. CalPERS Safety Plan

The City’s Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by 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 two rate plans (two police) within the safety risk pool.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

Plan Description - All qualified permanent and probationary employees are eligible to participate in the City’s Safety Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the City’s 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.

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 Safety Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefit, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.0%
Required employer contribution rates	23.710%	13.130%
Required UAL payment	\$3,841,324	\$35,346

CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31. The City’s required contribution for the unfunded liability for the Safety Plan was \$3,876,670 in fiscal year 2022.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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.

For the measurement period ended June 30, 2021, contributions to the Safety Plan were \$5,482,002.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - 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 Safety Plan and additions to/deductions from the Safety Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2022, the City reported net pension liability for its proportionate share of the net pension liability of the Safety Plan of \$34,593,086.

The City’s net pension liability for the Safety Plan is measured as the proportionate share the total net pension liability of the CalPERS Plan. The net pension liability is measured as of June 30, 2021, and the total pension liability for the CalPERS Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City’s proportion of the net pension liability was based on the City’s 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 as of June 30, 2020 and 2021 was as follows:

	Safety Plan
Proportion - June 30, 2020	0.49200%
Proportion - June 30, 2021	0.63963%
Change - Increase (Decrease)	0.14763%

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

For the year ended June 30, 2022, the City recognized pension expense of \$7,403,865 for the Safety Plan. On June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,153,419	\$ -
Differences between actual and expected experience	5,910,198	
Net differences between projected and actual earnings on plan investments	-	20,589,536
Differences between actual contributions and proportional contributions	-	3,155,142
Adjustment due to differences in proportion	1,361,310	-
Total	<u>\$ 13,424,927</u>	<u>\$ 23,744,678</u>

A total of \$6,153,419 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a component of pension expense in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

Year Ended June 30,	
2023	\$ (2,874,260)
2024	(3,453,068)
2025	(4,479,888)
2026	(5,665,954)

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, 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 one-percentage point lower or one-percentage point higher than the current rate:

	Safety
1% Decrease	6.15%
Net Pension Liability	\$ 60,170,683
Current Discount Rate	7.15%
Net Pension Liability	\$ 34,593,086
1% Increase	8.15%
Net Pension Liability	\$ 13,584,249

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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

9. DEFINED CONTRIBUTION POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of San Bruno contracts with the Teamsters Local #856 Health and Welfare Trust Fund to provide health benefits to both active and retired employees as a defined contribution plan. The City provides no direct financial contribution towards retiree health benefits; however, due to the fact that retirees and active employees are insured in the same pool it indirectly subsidizes their premiums through payments for current employees. At this time, the City has not established a trust for the purpose of holding assets accumulated for plan benefits.

Eligibility: - Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a CalPERS pension. Membership of the plan consisted of the following at June 30, 2022:

Current Retirees	116
Active employees	<u>205</u>
Total	<u><u>321</u></u>

City’s Funding Policy - The Teamsters Local #856 Health and Welfare Trust Fund determine the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2021-22 the City’s actual contribution to the Teamsters Local #856 Health and Welfare Fund was \$6,540,197, which includes the calculated benefit cost for the City’s retirees and the cost of implicit subsidies where applicable.

Annual OPEB Cost and Net OPEB Obligation - The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. CONTINGENCIES

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2022, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

11. LITIGATION

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, do not appear to have a materially adverse effect on the financial condition of the City.

12. GOING CONCERN

At June 30, 2022, the CityNet Enterprise Fund had \$0 in cash and an accumulated interfund debt to the General Fund of \$15,316,895. Additionally, the fund continues to have operating losses of each year, with a loss of \$859,995 in the fiscal year 2021-22 and a loss of \$904,625 in the prior year. Management continues to take measures to improve revenue collections as well as subscription margins. Additional progress has been made towards continued reduction of operating losses and improvement of subscription margins going forward, to be supported by the launch of asset light, state of the art, internet delivered TV by the end of fiscal year 2023. To accelerate repayment of the interfund loan and implement a repayment timeline, an improvement is necessary to the Enterprise's aging internet and TV delivery technology to make the Enterprise fully competitive, improve its position as a going concern, attract more customers and commence the payback of the loan from the General Fund. This improvement would be accomplished by the rollout of fiber technology. Initial funding for the rollout has been approved by the Council pending presentation of a detailed rollout plan.

At June 30, 2022, the Stormwater Enterprise Fund has losses in operations of \$590,107 as compared with \$715,807 in the prior year. The fund requires transfers in from the General Fund to maintain a positive fund balance. Management has evaluated the fund and has come to the conclusion that the charges for services are not adequate for the costs of those services.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment for a bequest that was received in the year 2020 and held in a trust for the benefit of the City.

	Net Position, as Previously Reported at June 30, 2021	Prior Period Adjustment <u>Bequested Revenue</u>	Net Position, as Restated at June 30, 2021
Government-wide Statement of Net Position Governmental Activities	\$ 41,493,479	\$ 3,177,900	\$ 44,671,379

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 32,812,340	\$ 32,752,340	\$ 42,335,688	\$ 9,583,348
Licenses and permits	6,822,727	6,822,727	5,609,093	(1,213,634)
Intergovernmental	8,834,874	9,724,874	11,054,305	1,329,431
Charges for services	2,482,032	2,466,733	3,915,518	1,448,785
Fines and forfeitures	1,048,000	1,048,000	612,247	(435,753)
Use of money and property	768,822	768,822	(6,745,185)	(7,514,007)
Other revenues	5,923,475	5,923,475	6,579,462	655,987
Total revenues	58,692,270	59,506,971	63,361,128	3,854,157
EXPENDITURES:				
Current:				
General government	7,484,236	7,702,690	7,945,649	(242,959)
Public safety	30,354,389	30,512,585	30,356,530	156,055
Public works	1,539,201	1,647,978	1,551,310	96,668
Streets	2,177,457	2,179,621	1,755,168	424,453
Parks and recreation	5,537,061	5,535,476	4,937,774	597,702
Library	2,101,867	2,195,025	2,071,002	124,023
Community and economic development	3,188,841	3,653,183	2,787,248	865,935
Capital outlay	924,000	1,282,553	2,008,149	(725,596)
Total expenditures	53,307,052	54,709,111	53,412,830	1,296,281
REVENUES OVER (UNDER) EXPENDITURES	5,385,218	4,797,860	9,948,298	5,150,438
OTHER FINANCING SOURCES (USES):				
Transfers in	1,719,001	2,078,480	5,094,598	3,016,118
Transfers out	(3,308,618)	(7,017,074)	(3,827,888)	3,189,186
Proceeds from sale of property	5,060,000	5,060,000	-	(5,060,000)
Total other financing sources (uses)	3,470,383	121,406	1,266,710	1,145,304
Net change in fund balances	\$ 8,855,601	\$ 4,919,266	11,215,008	\$ 6,295,742
FUND BALANCES:				
Beginning of year			35,381,261	
End of year			<u>\$ 46,596,269</u>	

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2022

Miscellaneous Plan

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

Measurement Period	2014	2015	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 2,202,577	\$ 2,097,851	\$ 2,139,755
Interest	7,873,939	8,305,341	8,778,896
Differences between expected and actual experience	-	505,056	934,779
Changes in assumptions	-	(2,047,078)	-
Benefit payments, including refunds of employee contributions	(4,768,345)	(5,034,556)	(5,302,771)
Net change in the total pension liability	5,308,171	3,826,614	6,550,659
Total pension liability - beginning	106,268,748	111,576,919	115,403,533
Total pension liability - ending (a)	\$ 111,576,919	\$ 115,403,533	\$ 121,954,192
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 2,379,268	\$ 2,511,337	\$ 2,864,024
Contributions - employee	1,401,279	968,827	995,641
Net investment income	12,458,355	1,866,002	415,562
Plan to plan resource movement	-	-	-
Benefit payments, including refunds of employee contributions	(4,768,345)	(5,034,556)	(5,302,771)
Administrative expense	-	(94,139)	(50,953)
Other miscellaneous income (expense)	-	(4)	(1,791)
Net change in plan fiduciary net position	11,470,557	217,467	(1,080,288)
Plan fiduciary net position - beginning	71,916,986	83,387,543	83,605,010
Plan fiduciary net position - ending (b)	\$ 83,387,543	\$ 83,605,010	\$ 82,524,722
Net pension liability - ending (a) - (b)	\$ 28,189,376	\$ 31,798,523	\$ 39,429,470
Plan fiduciary net position as a percentage of the total pension liability	74.74%	72.45%	67.67%
Covered payroll	\$ 11,454,637	\$ 11,746,858	\$ 12,768,781
Net pension liability as a percentage of covered payroll	246.10%	270.70%	308.80%

* Fiscal year 2015 was the first year of implementation, additional years will be added as the information becomes available.

Notes to the Schedule:

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

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, and 2020, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate.

	2017	2018	2019	2020	2021
\$	2,531,862	\$ 2,492,070	\$ 2,432,199	\$ 2,514,610	\$ 2,603,128
	9,108,648	9,431,890	9,905,673	10,324,053	10,739,952
	(667,604)	(431,451)	1,352,032	-	613,120
	7,626,708	(862,136)	-	856,075	-
	(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)
	13,028,520	4,589,143	6,491,689	6,125,625	6,166,715
	121,954,192	134,982,712	139,571,855	146,063,544	152,189,169
\$	134,982,712	\$ 139,571,855	\$ 146,063,544	\$ 152,189,169	\$ 158,355,884
\$	3,286,539	\$ 3,493,382	\$ 4,025,948	\$ 4,630,765	\$ 5,012,295
	1,021,113	1,025,190	1,014,107	1,144,051	1,051,962
	9,203,409	7,685,495	6,290,148	5,016,150	23,324,110
	-	(223)	-	-	-
	(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)
	(121,842)	(140,779)	(68,577)	(141,202)	(103,132)
	-	(267,342)	223	-	-
	7,818,125	5,754,493	4,063,634	3,080,651	21,495,750
	82,524,722	90,342,847	96,097,340	100,160,974	103,241,625
\$	90,342,847	\$ 96,097,340	\$ 100,160,974	\$ 103,241,625	\$ 124,737,375
\$	44,639,865	\$ 43,474,515	\$ 45,902,570	\$ 48,947,544	\$ 33,618,509
	66.93%	68.85%	68.57%	67.84%	78.77%
\$	12,661,824	\$ 12,736,637	\$ 13,803,211	\$ 14,427,436	\$ 14,301,123
	352.55%	341.33%	332.55%	339.27%	235.08%

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Pension Plan Contributions - Last 10 Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Miscellaneous Plan</u>			
Contractually required contribution	\$ 2,379,268	\$ 2,864,024	\$ 3,286,539
Contributions in relation to the contractually required contributions	(2,379,268)	(2,864,024)	(3,286,539)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,746,858	\$ 12,768,781	\$ 12,661,824
Contributions as a percentage of covered payroll	20.25%	22.43%	25.96%
Notes to Schedule:			
Valuation date	6/30/2012	6/30/2013	6/30/2014

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75% for 2015 to 2019, 2.625% for 2020 and 2.50% for 2021 to 2022
Salary increases	Varies by entry age and service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 and 2022, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rate include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 to 2022, pre-retirement age.

* Fiscal year 2015 was the first year of implementation, additional years will be presented as the information becomes available.

	2018	2019	2020	2021	2022
	\$ 3,493,382	\$ 4,025,948	\$ 4,630,765	\$ 5,012,295	\$ 5,366,996
	(3,493,382)	(4,025,948)	(4,630,765)	(5,012,295)	(5,366,996)
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 12,736,637	\$ 13,803,211	\$ 14,427,436	\$ 14,301,123	\$ 14,353,672
	27.43%	29.17%	32.10%	35.05%	37.39%
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2022

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

Safety Plan

Fiscal Year End:	6/30/2015	6/30/2016	6/30/2017
Measurement Date	6/30/2014	6/30/2015	6/30/2016
City's proportion of the net pension liability	0.00000%	0.43667%	0.44803%
City's proportionate share of the net pension liability	\$ -	\$ 29,972,706	\$ 38,768,137
City's covered payroll (plan year)	\$ 8,296,958	\$ 8,733,422	\$ 9,215,379
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	343.20%	420.69%
Fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%

Notes to the schedule:

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

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
0.44960%	0.46924%	0.47762%	0.49200%	0.63963%
\$ 44,587,858	\$ 45,216,872	\$ 48,942,165	\$ 53,531,797	\$ 34,593,086
\$ 9,360,496	\$ 8,768,759	\$ 9,259,344	\$ 9,977,457	\$ 9,800,218
476.34%	515.66%	528.57%	536.53%	352.98%
73.31%	75.26%	75.26%	75.10%	88.29%

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Pension Plan Contributions - Last 10 Years**

	2015	2016	2017
Safety Plan			
Contractually required contribution (actuarially determined)	\$ 2,600,052	\$ 1,681,684	\$ 3,203,722
Contributions in relation to contractually required contributions	(2,600,052)	(1,681,684)	(3,203,722)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 8,733,422	\$ 9,215,379	\$ 9,360,496
Contributions as a percentage of covered payroll	29.77%	18.25%	34.23%

Notes to the Schedule:

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

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2012	6/30/2013	6/30/2014
Actuarial cost method:	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)
Assets valuation method:	15 Year	Market Value	Market Value
	Smoothed Market		
	Method		
Inflation:	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)
Investment rate of return:	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)

(1) Level percentage of payroll, closed

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

(3) 50 for all plans, with the exception of 52 for Miscella:

(4) Mortality assumptions are based on mortality rates r CalPERS Board.

2018	2019	2020	2021	2022
\$ 3,682,068 (3,682,068)	\$ 4,282,040 (4,282,040)	\$ 4,978,130 (4,978,130)	\$ 5,482,002 (5,482,002)	\$ 6,153,419 (6,153,419)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,768,759 41.99%	\$ 9,259,344 46.25%	\$ 9,977,457 49.89%	\$ 9,800,218 55.94%	\$ 11,785,003 52.21%

6/30/2015 Entry Age (1) Market Value	6/30/2016 Entry Age (1) Market Value	6/30/2017 Entry Age (1) Market Value	6/30/2018 Entry Age (1) Market Value	6/30/2019 Entry Age (1) Market Value
2.75% (2)	2.75% (2)	2.63% (2)	2.50% (2)	2.50% (2)
7.50% (3)	7.375% (3)	7.25% (3)	7.00% (3)	7.00% (3)
(4)	(4)	(4)	(4)	(4)

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resulting from the most recent CalPERS Experience Study adopted by the

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SUPPLEMENTARY INFORMATION

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City of San Bruno
Combining Balance Sheet
General Fund
June 30, 2022

	General Fund Operating and Reserves	Measure G	General Fund Totals
ASSETS			
Cash and investments	\$ 26,884,792	\$ 2,651,532	\$ 29,536,324
Cash and investments with fiscal agent	50,496	-	50,496
Receivables:			
Taxes	4,334,326	764,978	5,099,304
Interest	76,483	-	76,483
Loans	749,809	-	749,809
Other	5,461,012	-	5,461,012
Advances to other funds	15,316,895	-	15,316,895
Total assets	<u>\$ 52,873,813</u>	<u>\$ 3,416,510</u>	<u>\$ 56,290,323</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	5,238,378	-	5,238,378
Unearned revenue	1,944,239	-	1,944,239
Other liabilities	440,500	-	440,500
Total liabilities	<u>9,694,054</u>	<u>-</u>	<u>9,694,054</u>
Fund Balances:			
Nonspendable	15,316,895	-	15,316,895
Assigned	26,045,126	-	26,045,126
Unassigned	1,817,738	3,416,510	5,234,248
Total fund balances	<u>43,179,759</u>	<u>3,416,510</u>	<u>46,596,269</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,873,813</u>	<u>\$ 3,416,510</u>	<u>\$ 56,290,323</u>

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the year ended June 30, 2022

	General Fund Operating and Reserves	Measure G	Intra-Fund Transactions Elimination	General Fund Totals
REVENUES:				
Taxes	\$ 38,348,040	\$ 3,987,648	\$ -	\$ 42,335,688
Licenses and permits	5,609,093	-	-	5,609,093
Intergovernmental	11,054,305	-	-	11,054,305
Charges for services	3,915,518	-	-	3,915,518
Fines and forfeitures	612,247	-	-	612,247
Use of money and property	(6,745,185)	-	-	(6,745,185)
Other revenues	6,579,462	-	-	6,579,462
Total revenues	59,373,480	3,987,648	-	63,361,128
EXPENDITURES:				
Current:				
General government	7,945,649	-	-	7,945,649
Public safety	30,356,530	-	-	30,356,530
Public works	1,551,310	-	-	1,551,310
Streets	1,755,168	-	-	1,755,168
Parks and recreation	4,937,774	-	-	4,937,774
Library	2,071,002	-	-	2,071,002
Community and economic development	2,787,248	-	-	2,787,248
Capital outlay	2,008,149	-	-	2,008,149
Total expenditures	53,412,830	-	-	53,412,830
REVENUES OVER (UNDER)				
EXPENDITURES	5,960,650	3,987,648	-	9,948,298
OTHER FINANCING SOURCES (USES):				
Transfers in	6,884,598	-	(1,790,000)	5,094,598
Transfers out	(3,827,888)	(1,790,000)	1,790,000	(3,827,888)
Total other financing sources (uses)	3,056,710	(1,790,000)	-	1,266,710
Net change in fund balances	9,017,360	2,197,648	-	11,215,008
FUND BALANCES:				
Beginning of year	34,162,399	1,218,862	-	35,381,261
End of year	\$ 43,179,759	\$ 3,416,510	\$ -	\$ 46,596,269

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the year ended June 30, 2022

	General Fund Operating and Reserves			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ 29,303,340	\$ 29,243,340	\$ 38,348,040	\$ 9,104,700
Licenses and permits	6,822,727	6,822,727	5,609,093	(1,213,634)
Intergovernmental	8,834,874	9,724,874	11,054,305	1,329,431
Charges for services	2,482,032	2,466,733	3,915,518	1,448,785
Fines and forfeitures	1,048,000	1,048,000	612,247	(435,753)
Use of money and property	768,822	768,822	(6,745,185)	(7,514,007)
Other revenues	5,923,475	5,923,475	6,579,462	655,987
Total revenues	55,183,270	55,997,971	59,373,480	3,375,509
EXPENDITURES:				
Current:				
General government	7,484,236	7,702,690	7,945,649	(242,959)
Public safety	30,354,389	30,512,585	30,356,530	156,055
Public works	1,539,201	1,647,978	1,551,310	96,668
Streets	2,177,457	2,179,621	1,755,168	424,453
Parks and recreation	5,537,061	5,535,476	4,937,774	597,702
Library	2,101,867	2,195,025	2,071,002	124,023
Community and economic development	3,188,841	3,653,183	2,787,248	865,935
Capital outlay	924,000	1,282,553	2,008,149	(725,596)
Total expenditures	53,307,052	54,709,111	53,412,830	1,296,281
REVENUES OVER (UNDER) EXPENDITURES	1,876,218	1,288,860	5,960,650	4,671,790
OTHER FINANCING SOURCES (USES):				
Transfers in	1,719,001	2,078,480	6,884,598	4,806,118
Transfers out	(3,068,618)	(5,227,074)	(3,827,888)	1,399,186
Proceeds from sale of property	5,060,000	5,060,000	-	(5,060,000)
Total other financing sources (uses)	3,710,383	1,911,406	3,056,710	1,145,304
Net change in fund balances	\$ 5,586,601	\$ 3,200,266	9,017,360	\$ 5,817,094
FUND BALANCES:				
Beginning of year			34,162,399	
End of year			<u>\$ 43,179,759</u>	

Measure G				Intrafund	General Fund Totals			
Original	Final			Eliminations	Original	Final		
Budget	Budget	Actual	Variance	Actual	Budget	Budget	Actual	Variance
\$ 3,509,000	\$ 3,509,000	\$ 3,987,648	\$ 478,648	\$ -	\$ 32,812,340	\$ 32,752,340	\$ 42,335,688	\$ 9,583,348
-	-	-	-	-	6,822,727	6,822,727	5,609,093	(1,213,634)
-	-	-	-	-	8,834,874	9,724,874	11,054,305	1,329,431
-	-	-	-	-	2,482,032	2,466,733	3,915,518	1,448,785
-	-	-	-	-	1,048,000	1,048,000	612,247	(435,753)
-	-	-	-	-	768,822	768,822	(6,745,185)	(7,514,007)
-	-	-	-	-	5,923,475	5,923,475	6,579,462	655,987
3,509,000	3,509,000	3,987,648	478,648	-	58,692,270	59,506,971	63,361,128	3,854,157
-	-	-	-	-	7,484,236	7,702,690	7,945,649	(242,959)
-	-	-	-	-	30,354,389	30,512,585	30,356,530	156,055
-	-	-	-	-	1,539,201	1,647,978	1,551,310	96,668
-	-	-	-	-	2,177,457	2,179,621	1,755,168	424,453
-	-	-	-	-	5,537,061	5,535,476	4,937,774	597,702
-	-	-	-	-	2,101,867	2,195,025	2,071,002	124,023
-	-	-	-	-	3,188,841	3,653,183	2,787,248	865,935
-	-	-	-	-	924,000	1,282,553	2,008,149	(725,596)
-	-	-	-	-	53,307,052	54,709,111	53,412,830	1,296,281
3,509,000	3,509,000	3,987,648	478,648	-	5,385,218	4,797,860	9,948,298	5,150,438
-	-	-	-	(1,790,000)	1,719,001	2,078,480	5,094,598	3,016,118
(240,000)	(1,790,000)	(1,790,000)	-	1,790,000	(3,308,618)	(7,017,074)	(3,827,888)	3,189,186
-	-	-	-	-	5,060,000	5,060,000	-	(5,060,000)
(240,000)	(1,790,000)	(1,790,000)	-	-	3,470,383	121,406	1,266,710	1,145,304
\$ 3,269,000	\$ 1,719,000	2,197,648	\$ 478,648	-	\$ 8,855,601	\$ 4,919,266	11,215,008	\$ 6,295,742
		1,218,862		-			35,381,261	
		\$ 3,416,510		\$ -			\$ 46,596,269	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Parks and Facilities Capital Improvement For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 5,800	\$ 5,800
Other revenues	-	9,561,032	10,192,085	631,053
Total revenues	-	9,561,032	10,197,885	636,853
EXPENDITURES:				
Current:				
Capital outlay	-	37,756,158	13,822,599	23,933,559
Total expenditures	-	37,756,158	13,822,599	23,933,559
REVENUES OVER (UNDER) EXPENDITURES	-	(28,195,126)	(3,624,714)	24,570,412
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,098,962	1,335,336	(763,626)
Transfers out	-	(193,490)	(691,974)	(498,484)
Total other financing sources (uses)	-	1,905,472	643,362	(1,262,110)
Net change in fund balances	\$ -	\$ (26,289,654)	(2,981,352)	\$ 23,308,302
FUND BALANCES:				
Beginning of year			2,811,174	
End of year			\$ (170,178)	

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

In Lieu - Accounts for funds received to substitute for standard fees utilized for particular purposes.

Agency on Aging - Accounts for funds for senior services.

Federal/State Grants - Accounts for activities for the City's grants.

Gas Tax - Accounts for funds received and expended for street maintenance purposes as defined in sections 2103, 2105, 2106, 2107.5 of the Streets and Highway Code.

Police Asset Seizure - Accounts for state augmentation funds to be used for safety programs.

Police - Accounts for Police revenues to be used on special law enforcement programs.

SB322 Recycling/Litter Clean-up - Accounts for SB322 funds to be used on recycling and litter clean-up programs.

Restricted Revenues - Accounts for donations and fees collected for specific purposes.

Bequests - Accounts for funds bequested to the City.

Streets - Accounts for funds dedicated to street improvement and mitigation.

City of San Bruno as Successor Housing Agency - Accounts for housing assets and functions previously performed by the former Redevelopment Agency.

Impact Fees - Accounts for funds from new development to pay for public facilities and infrastructure needed to accommodate growth in the City.

Measure A Transportation Tax - Accounts for funds received to be used for local transportation purposes. The revenues consist primarily of revenues received from Measure A sales tax passed to the City by San Mateo County.

Disaster Recovery - Accounts for funds from Pacific Gas and Electric Company (PG&E) Trust to rebuild the Crestmoor/Glenview neighborhood.

Measure W Transportation Tax - Accounts for funds received to be used for local transportation purposes. The revenues consist primarily of revenues received from Measure W sales tax passed to the City by San Mateo County.

Capital Project Fund:

Street Improvement Capital Project Fund - The Street Improvement Capital Project Fund accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals and street medians.

Debt Service Fund:

General - Accounts for funds related to the 2011 and 2017 fire apparatus lease purchase, 2013 Pension Obligation Bond, and 2018 router lease purchase principal and interest payments.

City of San Bruno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022 (with comparative totals for June 30, 2021)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$ 6,894,472	\$ 77,839	\$ -	\$ 218,699
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	-	-	235,859
Interest	-	-	-	-
Other	-	79,822	107,448	-
Other assets	-	-	-	-
Total assets	\$ 6,894,472	\$ 157,661	\$ 107,448	\$ 454,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	10,000	15,488	-	-
Due to other funds	-	-	-	-
Deposits payable	3,492,518	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	98,449	-
Total liabilities	3,502,518	15,488	98,449	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	83,234	-
Total deferred inflows of resources	-	-	83,234	-
Fund Balances:				
Restricted	3,391,954	142,173	-	454,558
Unassigned	-	-	(74,235)	-
Total fund balances	3,391,954	142,173	(74,235)	454,558
Total liabilities, deferred inflows of resources and fund balances	\$ 6,894,472	\$ 157,661	\$ 107,448	\$ 454,558

Special Revenue Funds					
Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Bequests	Street
\$ 602,438	\$ 145,343	\$ 395,264	\$ 2,356,940	\$ -	\$ 184,372
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	42,483	-	-
-	-	-	-	3,177,900	-
<u>\$ 602,438</u>	<u>\$ 145,343</u>	<u>\$ 395,264</u>	<u>\$ 2,399,423</u>	<u>\$ 3,177,900</u>	<u>\$ 184,372</u>
21,840	-	-	9,241	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	64,358	-	-	-
-	-	-	-	-	-
<u>21,840</u>	<u>-</u>	<u>64,358</u>	<u>9,241</u>	<u>-</u>	<u>-</u>
-	-	-	-	3,177,900	-
-	-	-	-	3,177,900	-
580,598	145,343	330,906	2,390,182	-	184,372
-	-	-	-	-	-
<u>580,598</u>	<u>145,343</u>	<u>330,906</u>	<u>2,390,182</u>	<u>-</u>	<u>184,372</u>
<u>\$ 602,438</u>	<u>\$ 145,343</u>	<u>\$ 395,264</u>	<u>\$ 2,399,423</u>	<u>\$ 3,177,900</u>	<u>\$ 184,372</u>

City of San Bruno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
ASSETS				
Cash and investments	\$ 700,649	\$ 154,419	\$ 790,557	\$ 913,261
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Interest	-	-	-	-
Other	-	1,021	113,918	-
Other assets	-	-	-	-
Total assets	\$ 700,649	\$ 155,440	\$ 904,475	\$ 913,261
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	700,649	155,440	904,475	913,261
Unassigned	-	-	-	-
Total fund balances	700,649	155,440	904,475	913,261
Total liabilities, deferred inflows of resources and fund balances	\$ 700,649	\$ 155,440	\$ 904,475	\$ 913,261

Measure W Transportation Tax	Capital	Debt	Nonmajor Funds	
	Projects Fund	Service Fund	Totals	
	Street Improvement Capital Projects Fund	General	2022	2021
\$ 773,296	\$ 6,878,126	\$ -	\$ 21,085,675	\$ 22,852,217
-	-	196	196	5
108,482	-	-	344,341	275,832
-	-	-	-	2,333
-	23,410	-	368,102	541,028
-	-	-	3,177,900	-
<u>\$ 881,778</u>	<u>\$ 6,901,536</u>	<u>\$ 196</u>	<u>\$ 24,976,214</u>	<u>\$ 23,671,415</u>
-	1,024,102	-	1,080,671	103,092
-	-	-	-	27,135
-	-	-	3,492,518	3,492,518
-	-	-	64,358	11,050
-	-	-	98,449	-
-	1,024,102	-	4,735,996	3,633,795
-	-	-	3,261,134	83,234
-	-	-	3,261,134	83,234
881,778	5,877,434	196	17,053,319	19,971,314
-	-	-	(74,235)	(16,928)
<u>881,778</u>	<u>5,877,434</u>	<u>196</u>	<u>16,979,084</u>	<u>19,954,386</u>
<u>\$ 881,778</u>	<u>\$ 6,901,536</u>	<u>\$ 196</u>	<u>\$ 24,976,214</u>	<u>\$ 23,671,415</u>

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	191,608	61,172	1,939,872
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	30,189	592	-	10,784
Other revenues	(3,173,625)	67,138	-	-
Total revenues	(3,143,436)	259,338	61,172	1,950,656
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	107,734	-
Public works	-	-	-	-
Streets	-	-	-	2,711
Parks and recreation	-	221,489	-	-
Library	-	-	10,745	-
Community and economic development	40,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	40,000	221,489	118,479	2,711
REVENUES OVER (UNDER) EXPENDITURES	(3,183,436)	37,849	(57,307)	1,947,945
OTHER FINANCING SOURCES (USES):				
Transfers in	1,070	-	-	-
Transfers out	(375,000)	6,687	-	(2,489,467)
Capital contributions	-	-	-	-
Proceeds from sale of property	-	-	-	-
Loss on retirement of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Total other financing sources (uses)	(373,930)	6,687	-	(2,489,467)
Special item	-	-	-	-
Net change in fund balances	(3,557,366)	44,536	(57,307)	(541,522)
FUND BALANCES:				
Beginning of year	6,949,320	97,637	(16,928)	996,080
End of year	\$ 3,391,954	\$ 142,173	\$ (74,235)	\$ 454,558

Special Revenue Funds

Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Bequests	Street
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	448,571	-	-
-	161,285	11,435	-	-	-
-	-	-	75,881	-	-
171,668	-	-	-	-	-
3,583	1,054	2,308	16,817	-	1,182
-	-	111,691	141,827	-	-
<u>175,251</u>	<u>162,339</u>	<u>125,434</u>	<u>683,096</u>	<u>-</u>	<u>1,182</u>
-	-	-	74,721	-	-
227,579	-	-	1,863	-	-
-	-	-	-	-	-
-	-	112,236	-	-	-
-	-	-	5,026	-	-
-	-	-	12,289	-	-
-	-	-	11,743	-	-
4,745	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232,324</u>	<u>-</u>	<u>112,236</u>	<u>105,642</u>	<u>-</u>	<u>-</u>
(57,073)	162,339	13,198	577,454	-	1,182
-	-	-	-	-	-
-	(200,000)	-	(370,336)	-	(75,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>(370,336)</u>	<u>-</u>	<u>(75,000)</u>
-	-	-	-	-	-
(57,073)	(37,661)	13,198	207,118	-	(73,818)
637,671	183,004	317,708	2,183,064	-	258,190
<u>\$ 580,598</u>	<u>\$ 145,343</u>	<u>\$ 330,906</u>	<u>\$ 2,390,182</u>	<u>\$ -</u>	<u>\$ 184,372</u>

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Special Revenue Funds			
	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,357,780	\$ -
Licenses and permits	-	35,937	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	927	13,610	-
Other revenues	-	-	-	-
Total revenues	-	36,864	1,371,390	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Streets	-	-	-	-
Parks and recreation	-	-	-	-
Library	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	36,864	1,371,390	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	265,095	-
Transfers out	-	-	(1,838,240)	-
Capital contributions	-	-	-	-
Proceeds from sale of property	-	-	-	-
Loss on retirement of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Total other financing sources (uses)	-	-	(1,573,145)	-
Special item	-	-	-	-
Net change in fund balances	-	36,864	(201,755)	-
FUND BALANCES:				
Beginning of year	700,649	118,576	1,106,230	913,261
End of year	\$ 700,649	\$ 155,440	\$ 904,475	\$ 913,261

Measure W Transportation Tax	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	
	Street Improvement Capital Projects Fund	General	Totals	
			2022	2021
\$ 563,437	\$ -	\$ -	\$ 1,921,217	\$ 3,315,905
-	-	-	484,508	220,832
-	44,714	-	2,410,086	1,398,870
-	-	-	75,881	-
-	-	-	171,668	101,781
5,500	-	196	86,742	97,912
-	89,825	-	(2,763,144)	235,966
568,937	134,539	196	2,386,958	5,371,266
-	-	-	74,721	42,464
-	-	-	337,176	539,122
-	-	-	-	-
-	-	-	114,947	73,236
-	-	-	226,515	193,349
-	-	-	23,034	26,706
-	-	-	51,743	132,793
-	2,741,795	-	2,746,540	1,533,565
-	-	1,357,151	1,357,151	1,398,135
-	-	277,303	277,303	315,091
-	2,741,795	1,634,454	5,209,130	4,254,461
568,937	(2,607,256)	(1,634,258)	(2,822,172)	1,116,805
-	3,752,707	1,634,449	5,653,321	7,579,731
(200,000)	(265,095)	(1,600,000)	(7,406,451)	(7,973,198)
-	-	-	-	-
-	-	-	-	-
-	-	1,600,000	1,600,000	-
(200,000)	3,487,612	1,634,449	(153,130)	(393,467)
-	-	-	-	-
368,937	880,356	191	(2,975,302)	723,338
512,841	4,997,078	5	19,954,386	19,231,048
\$ 881,778	\$ 5,877,434	\$ 196	\$ 16,979,084	\$ 19,954,386

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual In-Lieu For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 50,000	\$ 50,000	\$ 30,189	\$ (19,811)
Other revenues	-	-	(3,173,625)	(3,173,625)
Total revenues	50,000	50,000	(3,143,436)	(3,193,436)
EXPENDITURES:				
Current:				
Community and economic development	112,350	112,350	40,000	72,350
Total expenditures	112,350	112,350	40,000	72,350
REVENUES OVER (UNDER) EXPENDITURES	(62,350)	(62,350)	(3,183,436)	(3,121,086)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,070	1,070	-
Transfers out	-	(375,000)	(375,000)	-
Total other financing sources (uses)	-	(373,930)	(373,930)	-
Net change in fund balances	\$ (62,350)	\$ (436,280)	(3,557,366)	\$ (3,121,086)
FUND BALANCES:				
Beginning of year			6,949,320	
End of year			<u>\$ 3,391,954</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Agency on Aging

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 133,587	\$ 133,587	\$ 191,608	\$ 58,021
Use of money and property	300	300	592	292
Other revenues	61,500	61,500	67,138	5,638
Total revenues	195,387	195,387	259,338	63,951
EXPENDITURES:				
Current:				
Parks and recreation	133,587	133,587	221,489	(87,902)
Total expenditures	133,587	133,587	221,489	(87,902)
REVENUES OVER (UNDER) EXPENDITURES	61,800	61,800	37,849	(23,951)
OTHER FINANCING SOURCES (USES):				
Transfers out	(61,500)	(61,500)	6,687	68,187
Total other financing sources (uses)	(61,500)	(61,500)	6,687	68,187
Net change in fund balances	\$ 300	\$ 300	44,536	\$ 44,236
FUND BALANCES:				
Beginning of year			97,637	
End of year			<u>\$ 142,173</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Federal/State Grants

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 53,745	\$ 61,172	\$ 7,427
Total revenues	-	53,745	61,172	7,427
EXPENDITURES:				
Current:				
Public safety	-	56,075	107,734	(51,659)
Library	-	-	10,745	(10,745)
Total expenditures	-	56,075	118,479	(62,404)
REVENUES OVER (UNDER) EXPENDITURES	-	(2,330)	(57,307)	(54,977)
Net change in fund balances	\$ -	\$ (2,330)	(57,307)	\$ (54,977)
FUND BALANCES:				
Beginning of year			(16,928)	
End of year			<u><u>\$ (74,235)</u></u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Gas Tax For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,857,402	\$ 1,857,402	\$ 1,939,872	\$ 82,470
Use of money and property	5,200	5,200	10,784	5,584
Total revenues	1,862,602	1,862,602	1,950,656	88,054
EXPENDITURES:				
Current:				
Streets	2,800	2,800	2,711	89
Total expenditures	2,800	2,800	2,711	89
REVENUES OVER (UNDER) EXPENDITURES	1,859,802	1,859,802	1,947,945	88,143
OTHER FINANCING SOURCES (USES):				
Transfers out	(850,000)	(2,489,467)	(2,489,467)	-
Total other financing sources (uses)	(850,000)	(2,489,467)	(2,489,467)	-
Net change in fund balances	\$ 1,009,802	\$ (629,665)	(541,522)	\$ 88,143
FUND BALANCES:				
Beginning of year			996,080	
End of year			\$ 454,558	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police Asset Seizure

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 203,000	\$ 203,000	\$ 171,668	\$ (31,332)
Use of money and property	5,000	5,000	3,583	(1,417)
Total revenues	208,000	208,000	175,251	(32,749)
EXPENDITURES:				
Current:				
Public safety	227,882	287,309	227,579	59,730
Capital outlay	-	-	4,745	(4,745)
Total expenditures	227,882	287,309	232,324	54,985
REVENUES OVER (UNDER) EXPENDITURES	(19,882)	(79,309)	(57,073)	22,236
Net change in fund balances	\$ (19,882)	\$ (79,309)	(57,073)	\$ 22,236
FUND BALANCES:				
Beginning of year			637,671	
End of year			\$ 580,598	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Police

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 161,285	\$ 21,285
Use of money and property	1,600	1,600	1,054	(546)
Total revenues	141,600	141,600	162,339	20,739
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
Net change in fund balances	\$ (58,400)	\$ (58,400)	(37,661)	\$ 20,739
FUND BALANCES:				
Beginning of year			183,004	
End of year			<u>\$ 145,343</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

SB 322 Recycling/Litter Clean-up

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 11,500	\$ 11,500	\$ 11,435	\$ (65)
Use of money and property	3,500	3,500	2,308	(1,192)
Other revenues	85,694	85,694	111,691	25,997
Total revenues	100,694	100,694	125,434	24,740
EXPENDITURES:				
Current:				
Streets	102,207	102,207	112,236	(10,029)
Total expenditures	102,207	102,207	112,236	(10,029)
REVENUES OVER (UNDER) EXPENDITURES	(1,513)	(1,513)	13,198	14,711
Net change in fund balances	\$ (1,513)	\$ (1,513)	13,198	\$ 14,711
FUND BALANCES:				
Beginning of year			317,708	
End of year			\$ 330,906	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Restricted Revenues

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 184,000	\$ 184,000	\$ 448,571	\$ 264,571
Charges for services	-	-	75,881	75,881
Use of money and property	14,000	14,000	16,817	2,817
Other revenues	58,000	58,000	141,827	83,827
Total revenues	256,000	256,000	683,096	427,096
EXPENDITURES:				
Current:				
General government	20,100	79,983	74,721	5,262
Public safety	-	-	1,863	(1,863)
Parks and recreation	8,000	8,000	5,026	2,974
Library	8,100	8,100	12,289	(4,189)
Community and economic development	31,400	31,400	11,743	19,657
Total expenditures	67,600	127,483	105,642	21,841
REVENUES OVER (UNDER) EXPENDITURES	188,400	128,517	577,454	448,937
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(370,336)	(370,336)	-
Total other financing sources (uses)	-	(370,336)	(370,336)	-
Net change in fund balances	\$ 188,400	\$ (241,819)	207,118	\$ 448,937
FUND BALANCES:				
Beginning of year			2,183,064	
End of year			\$ 2,390,182	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Street

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 2,800	\$ 2,800	\$ 1,182	\$ (1,618)
Total revenues	2,800	2,800	1,182	(1,618)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(75,000)	(75,000)	-
Total other financing sources (uses)	-	(75,000)	(75,000)	-
Net change in fund balances	\$ 2,800	\$ (72,200)	(73,818)	\$ (1,618)
FUND BALANCES:				
Beginning of year			258,190	
End of year			<u>\$ 184,372</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City as Successor Housing Agency

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			700,649	
End of year			\$ 700,649	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Impact Fees For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 61,000	\$ 61,000	\$ 35,937	\$ (25,063)
Use of money and property	500	500	927	427
Total revenues	61,500	61,500	36,864	(24,636)
Net change in fund balances	\$ 61,500	\$ 61,500	36,864	\$ (24,636)
FUND BALANCES:				
Beginning of year			118,576	
End of year			<u>\$ 155,440</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure A Transportation Tax

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 994,813	\$ 994,813	\$ 1,357,780	\$ 362,967
Use of money and property	6,000	6,000	13,610	7,610
Total revenues	1,000,813	1,000,813	1,371,390	370,577
OTHER FINANCING SOURCES (USES):				
Transfers in	-	225,252	265,095	39,843
Transfers out	-	(1,838,240)	(1,838,240)	-
Total other financing sources (uses)	-	(1,612,988)	(1,573,145)	39,843
Net change in fund balances	\$ 1,000,813	\$ (612,175)	(201,755)	\$ 410,420
FUND BALANCES:				
Beginning of year			1,106,230	
End of year			\$ 904,475	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Disaster Recovery Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General government	-	12,767	-	12,767
Total expenditures	-	12,767	-	12,767
Net change in fund balances	\$ -	\$ (12,767)	-	\$ 12,767
FUND BALANCES:				
Beginning of year			913,261	
End of year			\$ 913,261	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure W Transportation Tax For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 441,800	\$ 441,800	\$ 563,437	\$ 121,637
Use of money and property	3,000	3,000	5,500	2,500
Total revenues	444,800	444,800	568,937	124,137
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(200,000)	(200,000)	-
Total other financing sources (uses)	-	(200,000)	(200,000)	-
Net change in fund balances	\$ 444,800	\$ 244,800	368,937	\$ 124,137
FUND BALANCES:				
Beginning of year			512,841	
End of year			<u>\$ 881,778</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Street Improvement Capital Projects Fund For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 869,067	\$ 3,692,827	\$ 44,714	\$ (3,648,113)
Other revenues	483,996	586,433	89,825	(496,608)
Total revenues	1,353,063	4,279,260	134,539	(4,144,721)
EXPENDITURES:				
Current:				
Capital outlay	-	14,870,958	2,741,795	12,129,163
Total expenditures	-	14,870,958	2,741,795	12,129,163
REVENUES OVER (UNDER) EXPENDITURES	1,353,063	(10,591,698)	(2,607,256)	7,984,442
OTHER FINANCING SOURCES (USES):				
Transfers in	-	5,782,707	3,752,707	(2,030,000)
Transfers out	-	(225,252)	(265,095)	(39,843)
Total other financing sources (uses)	-	5,557,455	3,487,612	(2,069,843)
Net change in fund balances	\$ 1,353,063	\$ (5,034,243)	880,356	\$ 5,914,599
FUND BALANCES:				
Beginning of year			4,997,078	
End of year			<u>\$ 5,877,434</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 196	\$ 196
Total revenues	-	-	196	196
EXPENDITURES:				
Current:				
Debt service:				
Principal	1,357,151	1,357,151	1,357,151	-
Interest and fiscal charges	268,028	268,028	277,303	(9,275)
Total expenditures	1,625,179	1,625,179	1,634,454	(9,275)
REVENUES OVER (UNDER)				
EXPENDITURES	(1,625,179)	(1,625,179)	(1,634,258)	(9,079)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,625,179	1,625,179	1,634,449	9,270
Transfers out	-	-	(1,600,000)	(1,600,000)
Proceeds from long-term debt	-	-	1,600,000	1,600,000
Total other financing sources (uses)	1,625,179	1,625,179	1,634,449	(1,590,730)
Net change in fund balances	\$ -	\$ -	191	\$ (1,599,809)
FUND BALANCES:				
Beginning of year			5	
End of year			<u>\$ 196</u>	

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INTERNAL SERVICE FUNDS

Central Garage - To account for the cost of vehicle acquisition and disposal, preventative maintenance and repair, and support services for the City's fleet.

Self-Insurance - To account for the City's coverage for Workers' Compensation and General Liability insurance.

Technology Development - To account for the cost of maintaining the City's IT infrastructure, network and data security, business applications and management, and providing a centralized service desk.

Facilities Management - To account for the cost of custodial services, facility management and preventative maintenance, and repair services for the City's facilities.

City of San Bruno
Combining Statement of Net Position
Internal Service Funds
June 30, 2022 (with comparative totals for June 30, 2021)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$ 252,498	\$ 1,568,538	\$ 235,246	\$ 725,235
Cash and investments with fiscal agent	-	91,119	-	-
Receivables:				
Accounts	-	-	-	-
Total current assets	252,498	1,659,657	235,246	725,235
Noncurrent:				
Capital assets:				
Depreciable capital assets	-	-	24,640	27,853
Accumulated depreciation	-	-	(24,640)	(26,526)
Net capital assets	-	-	-	1,327
Total noncurrent assets	-	-	-	1,327
Total assets	252,498	1,659,657	235,246	726,562
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	52,395	95,260	42,736	199,341
Compensated absences - current	1,229	-	11,338	11,369
Claims and judgements - current	-	1,545,000	-	-
Total current liabilities	53,624	1,640,260	54,074	210,710
Noncurrent liabilities:				
Compensated absences	2,309	-	27,168	40,339
Claims payable	-	3,483,000	-	-
Total noncurrent liabilities	2,309	3,483,000	27,168	40,339
Total liabilities	55,933	5,123,260	81,242	251,049
NET POSITION				
Net investment in capital assets	-	-	-	1,327
Unrestricted	196,565	(3,463,603)	154,004	474,186
Total net position	\$ 196,565	\$ (3,463,603)	\$ 154,004	\$ 475,513

Totals	
2022	2021
\$ 2,781,517	\$ 2,593,440
91,119	91,119
-	34,682
2,872,636	2,719,241
52,493	52,493
(51,166)	(47,188)
1,327	5,305
1,327	5,305
2,873,963	2,724,546
389,732	435,585
23,936	21,275
1,545,000	1,072,204
1,958,668	1,529,064
69,816	61,042
3,483,000	4,339,796
3,552,816	4,400,838
5,511,484	5,929,902
1,327	5,305
(2,638,848)	(3,210,661)
\$ (2,637,521)	\$ (3,205,356)

City of San Bruno
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
OPERATING REVENUES:				
Charges for services:				
Other service charges	\$ 857,154	\$ 2,928,085	\$ 907,071	\$ 1,805,664
Other operating revenue	-	-	-	-
Total operating revenues	857,154	2,928,085	907,071	1,805,664
OPERATING EXPENSES:				
Central garage	744,855	-	-	-
Insurance expenses	-	2,438,620	-	-
Technology support	-	-	1,268,418	-
Facilities maintenance	-	-	-	1,917,707
Depreciation and amortization	-	-	-	3,978
Total operating expenses	744,855	2,438,620	1,268,418	1,921,685
Operating income (loss)	112,299	489,465	(361,347)	(116,021)
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	25,000	-	258,939	159,500
Total contributions and transfers	25,000	-	258,939	159,500
Change in net position	137,299	489,465	(102,408)	43,479
NET POSITION:				
Beginning of year	59,266	(3,953,068)	256,412	432,034
End of year	\$ 196,565	\$ (3,463,603)	\$ 154,004	\$ 475,513

Totals	
2022	2021
\$ 6,497,974	\$ 6,203,732
-	34,681
<u>6,497,974</u>	<u>6,238,413</u>
744,855	732,601
2,438,620	2,853,629
1,268,418	966,026
1,917,707	1,596,561
3,978	3,979
<u>6,373,578</u>	<u>6,152,796</u>
<u>124,396</u>	<u>85,617</u>
443,439	90,000
<u>443,439</u>	<u>90,000</u>
567,835	175,617
<u>(3,205,356)</u>	<u>(3,380,973)</u>
<u>\$ (2,637,521)</u>	<u>\$ (3,205,356)</u>

City of San Bruno
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022 (with comparative totals for June 30, 2021)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 857,154	\$ 2,928,085	\$ 907,071	\$ 1,840,346
Cash payments to suppliers for goods and services	(725,463)	(2,862,256)	(1,379,066)	(1,821,233)
Net cash provided by (used in) operating activities	131,691	65,829	(471,995)	19,113
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received from other funds	25,000	-	258,939	159,500
Net cash provided by (used in) noncapital financing activities	25,000	-	258,939	159,500
Net cash flows	156,691	65,829	(213,056)	178,613
CASH AND INVESTMENTS - Beginning of year	95,807	1,593,828	448,302	546,622
CASH AND INVESTMENTS - End of year	\$ 252,498	\$ 1,659,657	\$ 235,246	\$ 725,235
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 112,299	\$ 489,465	\$ (361,347)	\$ (116,021)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	-	3,978
(Increase) decrease in current assets:				
Accounts receivable	-	-	-	34,682
Other receivable				
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	26,794	95,260	(118,284)	85,273
Compensated absences	(7,402)	(134,896)	7,636	11,201
Claims liability	-	(384,000)	-	-
Net cash provided by (used in) operating activities	\$ 131,691	\$ 65,829	\$ (471,995)	\$ 19,113

Totals	
2022	2021
\$ 6,532,656	\$ 6,258,363
(6,788,018)	(6,115,976)
(255,362)	618,387
443,439	-
443,439	90,000
188,077	708,387
2,684,559	1,976,172
\$ 2,872,636	\$ 2,684,559

\$ 124,396	85,617
3,978	3,979
34,682	(34,682)
-	233
89,043	67,290
(123,461)	19,950
(384,000)	476,000
\$ (255,362)	\$ 618,387

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CITY OF SAN BRUNO
JUNE 30, 2023

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 wellbeing have changed over time:

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

Revenue Capacity

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

1. Assessed Value and Actual Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Schedule of Top 40 Business License Taxpayers
5. Property Tax Levies and Collections

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage:
 - a. Wastewater Certificates of Participation
 - b. 2013 Wastewater Revenue Refunding Bonds
 - c. 2017 Wastewater Revenue Refunding Bonds
 - d. 2017 Water Revenue Refunding Bonds

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

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 Government Employees by Function/Program
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

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

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CITY OF SAN BRUNO
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Governmental activities</i>					
Net investments in capital assets	\$ 49,191,126	\$ 50,124,094	\$ 47,667,730	\$ 50,836,407	\$ 54,014,157
Restricted	10,637,770	10,612,672	16,592,413	12,444,902	15,727,642
Unrestricted	(5,227,689)	(3,967,832)	(35,591,299)	(34,557,594)	(42,133,843)
Total governmental activities net position	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>	<u>\$ 28,668,844</u>	<u>\$ 28,723,715</u>	<u>\$ 27,607,956</u>
<i>Business-type activities</i>					
Net investments in capital assets	\$ 36,842,785	\$ 46,715,688	\$ 57,076,442	\$ 67,316,388	\$ 70,539,432
Restricted					
Unrestricted	19,519,379	24,822,052	11,218,527	7,002,450	14,463,523
Total business-type activities net position	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>	<u>\$ 68,294,969</u>	<u>\$ 74,318,838</u>	<u>\$ 85,002,955</u>
<i>Primary government</i>					
Net investments in capital assets	\$ 86,033,911	\$ 96,839,782	\$ 104,744,172	\$ 118,152,795	\$ 124,553,589
Restricted	10,637,770	10,612,672	16,592,413	12,444,902	15,727,642
Unrestricted	14,291,690	20,854,220	(24,372,772)	(27,555,144)	(27,670,320)
Total primary government net position	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>	<u>\$ 96,963,813</u>	<u>\$ 103,042,553</u>	<u>\$ 112,610,911</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<i>Governmental activities</i>					
Net investments in capital assets	\$ 59,084,356	\$ 66,352,484	\$ 69,271,484	\$ 68,788,202	\$ 80,545,096
Restricted	18,264,533	18,534,689	22,102,576	22,782,488	53,426,528
Unrestricted	(41,778,351)	(47,316,623)	(55,052,523)	(50,077,211)	(70,032,132)
Total governmental activities net position	<u>\$ 35,570,538</u>	<u>\$ 37,570,550</u>	<u>\$ 36,321,537</u>	<u>\$ 41,493,479</u>	<u>\$ 63,939,492</u>
<i>Business-type activities</i>					
Net investments in capital assets	\$ 37,167,066	\$ 42,964,412	\$ 53,787,761	\$ 58,888,940	\$ 58,458,807
Restricted	40,979,572	27,693,026	15,720,390	4,123,199	1,918,591
Unrestricted	12,485,588	30,544,816	41,095,816	57,332,179	70,033,202
Total business-type activities net position	<u>\$ 90,632,226</u>	<u>\$ 101,202,254</u>	<u>\$ 110,603,967</u>	<u>\$ 120,344,318</u>	<u>\$ 130,410,600</u>
<i>Primary government</i>					
Net investments in capital assets	\$ 96,251,422	\$ 109,316,896	\$ 123,059,245	\$ 127,677,142	\$ 139,003,903
Restricted	18,264,533	46,227,715	37,822,966	26,905,687	55,345,119
Unrestricted	(29,292,763)	(16,771,807)	(13,956,707)	7,254,968	1,070
Total primary government net position	<u>\$ 85,223,192</u>	<u>\$ 138,772,804</u>	<u>\$ 146,925,504</u>	<u>\$ 161,837,797</u>	<u>\$ 194,350,092</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 10,461,109	\$ 12,129,370	\$ 10,813,390	\$ 6,632,727	\$ 7,944,081	\$ 8,186,106	\$ 8,429,310	\$ 9,606,933	\$ 8,441,787	\$ 6,413,721
Public safety	20,016,150	19,836,376	21,206,573	24,334,371	25,201,102	27,448,567	29,772,551	31,788,329	32,515,036	32,410,681
Public works	954,150	850,759	863,706	929,223	1,032,599	1,797,113	2,332,672	1,566,728	3,131,204	1,618,481
Highways and streets	3,647,648	2,891,219	3,009,303	3,450,979	4,001,200	3,512,681	3,505,727	4,224,797	4,081,082	4,949,093
Parks and recreation	4,819,878	4,717,561	5,562,181	5,611,296	5,929,836	6,156,634	6,147,260	5,817,710	4,814,770	6,574,959
Library	1,695,581	1,685,455	1,731,305	1,799,797	1,937,465	2,094,990	2,093,683	2,458,480	2,298,623	2,156,600
Community development	1,556,777	1,888,260	2,265,895	2,526,383	2,791,309	2,887,538	2,955,685	3,057,191	2,652,300	2,857,883
Interest expense	931,179	267,977	416,914	403,839	387,374	380,311	388,594	373,262	324,944	296,821
Total governmental activities expenses	44,082,472	44,266,977	45,869,267	45,688,615	49,224,966	52,463,940	55,625,482	58,893,430	58,259,746	57,778,239
Business-type activities:										
Water	9,237,239	8,770,677	9,378,993	10,098,091	9,717,392	11,416,387	11,290,539	12,137,204	12,697,845	11,643,075
Stormwater	661,493	739,512	905,074	607,817	606,627	1,011,466	1,677,767	2,287,138	1,375,960	1,641,787
Wastewater	9,220,142	9,427,956	10,265,939	10,921,203	12,033,285	12,380,908	11,781,728	12,926,033	12,879,291	12,989,348
Cable Television	10,100,602	10,508,595	11,002,694	11,240,247	11,655,651	12,492,354	12,183,104	11,053,095	9,927,716	9,440,513
Total business-type activities expenses	29,219,476	29,446,740	31,552,700	32,867,358	34,012,955	37,301,115	36,933,138	38,403,470	36,880,812	35,714,723
Total primary government expenses	\$ 73,301,948	\$ 73,713,717	\$ 77,421,967	\$ 78,555,973	\$ 83,237,921	\$ 89,765,055	\$ 92,558,620	\$ 97,296,900	\$ 95,140,558	\$ 92,992,962
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,704,082	\$ 2,923,789	\$ 2,837,224	\$ 3,468,619	\$ 3,534,173	\$ 3,693,098	\$ 3,713,293	\$ 3,859,492	\$ 4,735,876	\$ 5,362,419
Public safety	1,670,163	1,632,659	1,637,659	1,906,214	2,019,187	2,275,753	2,551,241	2,120,724	2,134,812	3,290,386
Public works	135,283	104,982	86,752	165,037	475,379	308,461	301,330	421,557	708,024	574,911
Highways and streets	14,649	19,985	17,977	17,204	16,500	17,092	17,228	17,474	17,900	18,000
Parks and recreation	1,194,216	1,359,079	1,471,537	1,490,268	1,533,722	1,482,588	1,683,629	742,258	283,124	1,271,240
Library	94,866	92,227	96,969	86,593	92,709	93,014	26,855	17,101	772	6,756
Community development	969,707	988,285	1,759,620	1,547,278	1,832,185	1,847,569	2,635,631	2,860,417	2,704,804	3,653,585
Operating grants and contributions	9,190,570	9,527,246	11,433,248	3,053,574	7,352,434	13,445,214	6,440,037	2,231,014	7,722,800	5,881,477
Capital grants and contributions	1,143,765	88,658	391,523	227,381	133,241	1,408,402	1,936,614	7,735,245	3,108,476	10,342,801
Total governmental activities program revenues	20,476,535	16,736,910	19,732,509	11,962,168	16,989,530	24,571,191	19,305,858	20,005,282	21,416,588	30,401,575
Business-type activities:										
Charges for services:										
Water	11,725,402	15,041,156	12,304,017	12,688,039	14,251,650	15,312,217	17,037,634	16,936,737	17,777,900	16,774,287
Stormwater	611,886	1,474,221	839,852	652,195	1,035,641	645,507	648,323	650,555	655,608	1,054,326
Wastewater	12,233,209	15,470,139	15,016,113	15,879,501	15,803,116	16,748,382	17,732,648	18,230,960	18,470,837	19,378,136
Cable Television	9,651,598	9,329,485	9,288,345	9,253,900	9,880,781	9,983,780	9,739,499	9,303,573	9,017,048	8,566,131
Total business-type activities program revenues	34,222,095	41,315,001	37,448,327	38,473,635	40,971,188	42,689,886	45,158,104	45,121,825	45,921,393	45,772,860
Total primary government program revenues	\$ 54,698,630	\$ 58,051,911	\$ 57,180,836	\$ 50,435,803	\$ 57,960,718	\$ 67,261,077	\$ 64,463,962	\$ 65,127,107	\$ 67,337,981	\$ 76,174,455
Net Revenues (Expenses)										
Governmental activities	\$ (23,605,937)	\$ (27,530,067)	\$ (26,136,758)	\$ (33,726,447)	\$ (32,235,436)	\$ (27,892,749)	\$ (36,319,624)	\$ (38,888,148)	\$ (36,843,158)	\$ (26,876,664)
Business-type activities	5,002,619	11,868,261	5,895,627	6,958,233	6,988,771	5,388,771	8,224,966	6,718,355	9,040,581	10,058,157
Total net revenues (expenses)	\$ (18,603,318)	\$ (15,661,806)	\$ (20,241,131)	\$ (28,120,170)	\$ (25,277,203)	\$ (22,503,978)	\$ (28,094,658)	\$ (32,169,793)	\$ (27,802,577)	\$ (16,818,507)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 6,752,943	\$ 8,197,205	\$ 8,844,431	\$ 9,500,264	\$ 9,968,404	\$ 10,515,309	\$ 11,846,367	\$ 12,212,891	\$ 12,618,447	\$ 14,532,727
Transient occupancy tax	2,412,368	2,790,395	3,162,479	3,316,369	3,286,913	3,424,660	3,628,979	2,617,524	1,247,467	2,408,999
Franchise tax	1,973,837	1,957,795	2,125,938	1,960,997	1,823,810	1,835,943	1,839,359	1,861,256	1,798,673	1,624,176
Sales tax, including subvention	7,345,212	8,547,806	8,556,002	8,377,896	8,777,377	8,332,044	8,764,449	9,281,920	17,780,042	21,549,194
Cardroom taxes	1,616,868	1,652,904	1,694,580	1,735,696	1,781,208	1,843,532	1,904,512	1,974,980	2,035,009	2,220,592
Other taxes	2,251,707	3,267,636	2,867,616	2,514,851	2,492,886	2,607,258	2,213,593	1,972,392	2,045,462	2,277,785
Intergovernmental:										
State motor vehicle in-lieu tax, including subvention	3,158,217	3,503,097	3,764,990	4,016,571	4,329,287	4,576,283	4,909,295	5,013,326	3,180,581	7,646,019
State highway user tax	-	1,370,767	1,270,588	976,525	887,258	1,243,782	1,811,108	1,844,231	1,852,026	-
Use of money and property	1,263,400	1,678,676	1,596,447	1,640,673	1,248,861	1,159,121	2,121,974	2,130,318	(341,249)	(6,715,096)
Miscellaneous and extraordinary items	(11,968,561)	(204,035)	274,320	-	-	-	-	-	-	-
Transfers	58,075	(3,064,452)	(1,768,413)	(258,524)	(3,476,327)	317,399	(720,000)	(1,269,703)	(201,358)	600,381
Total governmental activities	14,864,066	29,697,794	32,388,978	33,781,318	31,119,677	35,855,331	38,319,636	37,639,135	42,015,100	46,144,777
Business-type activities:										
Use of money and property	138,020	242,863	174,855	159,068	249,557	557,899	1,625,062	1,413,655	498,412	608,506
Transfers	(58,075)	3,064,452	1,768,413	258,524	3,476,327	(317,399)	720,000	1,269,703	201,358	(600,381)
Total business-type activities	79,945	3,307,315	1,943,268	417,592	3,725,884	240,500	2,345,062	2,683,358	699,770	8,125
Total primary government	\$ 14,944,011	\$ 33,005,109	\$ 34,332,246	\$ 34,198,910	\$ 34,845,561	\$ 36,095,831	\$ 40,664,698	\$ 40,322,493	\$ 42,714,870	\$ 46,152,902
Change in Net Position										
Governmental activities	\$ (8,741,871)	\$ 2,167,727	\$ 6,252,220	\$ 54,871	\$ (1,115,759)	\$ 7,962,582	\$ 2,000,012	\$ (1,249,013)	\$ 5,171,942	\$ 19,268,113
Business-type activities	5,082,564	15,175,576	7,838,895	6,023,868	10,684,117	5,629,271	10,570,028	9,401,713	9,740,351	10,066,282
Total primary government	\$ (3,659,307)	\$ 17,343,303	\$ 14,091,115	\$ 6,078,739	\$ 9,568,358	\$ 13,591,853	\$ 12,570,040	\$ 8,152,700	\$ 14,912,293	\$ 29,334,395

CITY OF SAN BRUNO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 22,433,688	\$ 24,954,783	\$ 26,085,900	\$ 26,272,319	\$ 26,952,603	\$ 27,836,907	\$ 30,183,994	\$ 29,841,240	\$ 37,397,196	\$ 44,256,905
Licenses and permits	2,834,980	4,255,588	3,691,818	3,451,841	3,981,683	3,893,645	4,807,519	3,850,848	5,135,532	6,093,601
Intergovernmental	4,416,017	4,009,117	4,574,638	4,787,432	5,061,978	5,441,457	6,193,125	6,809,578	6,154,618	13,464,391
Charges for services	3,120,324	2,826,577	3,134,354	3,398,555	3,405,255	3,301,524	3,689,192	2,918,239	2,093,216	3,997,199
Fines and Forfeitures	676,421	654,000	605,704	698,463	1,132,649	7,009,636	1,345,048	1,115,456	824,466	783,915
Use of money and property	1,263,400	1,678,676	1,618,634	1,674,729	1,272,582	1,189,135	2,277,193	2,349,974	(250,036)	(6,658,443)
Other revenues	9,147,023	11,324,450	10,489,406	8,467,574	10,445,009	11,436,819	9,396,817	12,481,391	12,194,820	14,008,403
Total revenues:	43,891,853	49,703,191	50,200,454	48,750,913	52,251,759	60,109,123	57,892,888	59,366,726	63,549,812	75,945,971
Expenditures										
General Government	8,683,516	8,955,056	8,091,630	5,966,987	6,256,661	6,220,529	6,151,598	6,526,050	7,055,055	8,020,370
Public safety	19,687,555	19,851,466	21,894,204	22,978,100	23,159,049	24,877,089	26,538,743	27,536,184	28,682,296	30,693,706
Public works	876,159	856,559	1,028,427	895,218	852,334	984,844	1,255,226	1,447,402	1,540,457	1,551,310
Highways and streets	2,804,070	3,689,780	1,736,206	1,537,442	1,700,057	1,494,003	1,605,936	1,928,545	1,644,167	1,870,115
Parks and recreation	4,310,157	4,453,981	5,493,030	5,301,162	4,967,433	5,717,215	5,795,227	5,844,760	4,838,508	5,164,289
Library	1,628,841	1,631,084	1,724,112	1,758,937	1,841,983	2,038,896	2,067,693	2,105,201	1,957,533	2,094,036
Community Development	1,504,058	1,872,127	2,268,181	2,509,152	2,690,910	2,856,118	2,934,136	3,043,416	2,649,788	2,838,991
Capital outlay	1,161,609	360,076	225,737	5,137,379	7,844,120	8,675,937	12,649,502	6,172,424	4,498,002	18,577,288
Debt service:										
Principal	386,409	807,336	818,289	829,272	1,939,282	1,035,038	1,411,245	1,358,246	1,398,135	1,357,151
Interest	542,606	410,689	399,660	386,635	368,929	363,591	343,660	356,404	315,091	277,303
Total expenditures	41,584,980	42,888,154	43,679,476	47,300,284	51,620,758	54,263,260	60,752,966	56,318,632	54,579,032	72,444,559
Reconciliation of Government Revenues										
Less expenditures to fund equity										
Revenues over (under) expenditures	2,306,873	6,815,037	6,520,978	1,450,629	631,001	5,845,863	(2,860,078)	3,048,094	8,970,780	3,501,412
Other financing sources (Transfer in)	9,588,612	7,977,407	7,893,696	24,558,269	6,354,831	8,730,402	8,404,503	10,231,738	12,170,782	12,083,255
Other financing sources (Transfer out)	(9,268,201)	(11,416,478)	(9,788,375)	(18,385,696)	(9,831,158)	(8,413,003)	(9,124,503)	(11,501,441)	(12,462,140)	(11,926,313)
Other financing sources (Capital lease)	-	-	-	-	1,873,846	-	1,630,339	-	-	-
Other financing sources (uses):	-	-	-	-	-	-	-	-	-	-
Proceeds of debt issued (refunds)	-	-	-	-	-	-	-	-	-	1,600,000
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,600,000
Net change in fund balances (\$)	\$ 2,627,284	\$ 3,375,966	\$ 4,626,299	\$ 7,623,202	\$ (971,480)	\$ 6,163,262	\$ (1,949,739)	\$ 1,778,391	\$ 8,679,422	\$ 5,258,354
Debt service as a percentage of noncapital expenditures	2.3%	2.9%	2.8%	2.9%	5.3%	3.1%	3.6%	3.4%	3.4%	3.0%

City of San Bruno, California
Assessed Value and Estimated Actual Value of Taxable Property
 For the last ten fiscal years

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total		Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
					Secured Property	Unsecured Property			
2013	\$ 4,174,398,109	\$ 866,171,661	\$ 54,657,760	\$ 37,746,851	\$ 5,132,974,381	\$ 147,540,815	\$ 5,280,515,196	\$ 5,280,515,196	1.0000
2014	4,364,835,817	945,331,190	55,708,482	61,925,552	5,427,801,041	188,968,984	5,616,770,025	5,616,770,025	1.0000
2015	4,706,427,833	1,030,026,318	57,511,431	63,017,548	5,856,983,130	191,476,425	6,048,459,555	6,048,459,555	1.0000
2016	5,014,371,175	1,104,091,897	58,749,109	63,704,550	6,240,916,731	186,926,223	6,427,842,954	6,427,842,954	1.0000
2017	5,359,750,309	1,226,598,661	75,276,105	68,634,181	6,730,259,256	209,798,255	6,940,057,511	6,940,057,511	1.0000
2018	5,646,827,286	1,357,155,853	77,211,922	72,559,603	7,153,754,664	212,376,474	7,366,131,138	7,366,131,138	1.0000
2019	6,036,268,674	1,503,692,754	78,754,420	77,125,479	7,695,841,327	193,402,416	7,889,243,743	7,889,243,743	1.0000
2020	6,402,789,888	1,635,452,776	81,593,747	93,290,564	8,213,126,975	191,580,394	8,404,707,369	8,404,707,369	1.0000
2021	6,805,415,098	1,810,368,170	83,857,367	134,679,313	8,834,319,948	144,575,709	8,978,895,657	8,978,895,657	1.0000
2022	7,107,728,273	1,790,875,440	144,928,994	131,588,023	9,175,120,730	130,101,776	9,305,222,506	9,305,222,506	1.0000

Source: California Municipal Statistics and County Assessor Data

- (a) Other property assessed value included residential, commercial and industrial property before 2008
- (b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (c) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

City of San Bruno, California
Direct and Overlapping Property Tax Rates
For the last ten fiscal years
(rate per \$100 of assessed value)

Fiscal Year	Direct Rates		Overlapping Rates		Total Tax Rate
	Basic Rate	Total Direct	School Districts	Special Districts	
2013	1.0000	1.0000	0.0905	0.0000	1.0905
2014	1.0000	1.0000	0.0864	0.0000	1.0864
2015	1.0000	1.0000	0.0983	0.0000	1.0983
2016	1.0000	1.0000	0.0929	0.0000	1.0929
2017	1.0000	1.0000	0.0910	0.0000	1.0910
2018	1.0000	1.0000	0.0900	0.0000	1.0900
2019	1.0000	1.0000	0.0801	0.0000	1.0801
2020	1.0000	1.0000	0.1148	0.0000	1.1148
2021	1.0000	1.0000	0.1112	0.0000	1.1112
2022	1.0000	1.0000	0.1103	0.0000	1.1103

Source: California Municipal Statistics

City of San Bruno, California
Principal Property Taxpayers
 Current Year and Nine Years Ago

	2021-2022				2012-2013					
	Property Owner	Primary Land Use	Assessed Valuation	Rank	% of Total(1)	Property Owner	Primary Land Use	Assessed Valuation	Rank	% of Total(2)
Google Inc.		Office Building	\$ 772,709,142	1	8.42%	ASN Tanforan Crossing I LLC	Apartments	\$ 131,419,883	1	2.56%
Crystal Springs Associates		Apartments	193,341,487	2	2.11%	Tanforan Park Shopping Center	Shopping Center	122,182,846	2	2.38%
ASN Tanforan Crossing I & II LLC		Apartments	160,044,190	3	1.74%	The Gap Inc.	Office Building	122,151,808	3	2.38%
Shops at Tanforan Associates LLC		Shopping Center	149,275,538	4	1.63%	Bayhill Four Associates	Office Building	119,113,327	4	2.32%
Walmart Stores Inc.		Office Building	137,033,527	5	1.49%	Archstone San Bruno III LLC	Apartments	82,410,209	5	1.61%
Benringer Harvard Acappella LP		Apartments	120,359,943	6	1.31%	Behringer Harvard Acappella LP	Apartments	56,100,000	6	1.09%
San Bruno III Financing LP		Apartments	98,146,076	7	1.07%	CREA-San Bruno LLC	Office Building	43,800,000	7	0.85%
Amazon.com Services LLC		Industrial	82,950,556	8	0.90%	San Bruno Towne Center Partnership	Shopping Center	41,799,367	8	0.81%
Welch Family Partnership		Commercial Properties	68,750,976	9	0.75%	Crystal Springs Associates	Apartments	32,459,519	9	0.63%
Seritage SRC Financial LLC		Shopping Center	63,000,000	10	0.69%	Aimco San Bruno Apartments Partners LP	Apartments	30,839,848	10	0.60%
Subtotal			<u>\$ 1,845,611,435</u>		<u>20.12%</u>			<u>\$ 782,276,807</u>		<u>15.24%</u>

Total Local Secured Assessed Valuation:

- (1) Fiscal Year 2021-22 9,175,120,730
- (2) Fiscal Year 2012-13 5,132,974,381

Source(s): Financial Statements and California Municipal Statistics, Inc.

City of San Bruno, California
Schedule of Top 40 Business License Taxpayers
(Listed in Alphabetical Order)
For the year ended June 30, 2022

Name

ALL SHORES	135 EL CAMINO REAL
AUTOMOTIVE WORKWEAR INC	881 SNEATH LN 113
CLAPP, MORONEY, BELLAGAMBA, & VUCINICH	1111 BAYHILL DR 300
CRESTMOR AUTO CENTER	2901 SAN BRUNO AVE W
CVS/PHARMACY #9807	10 BAYHILL SHOPPING CENTER
GRAND ELECTRIC CONSTRUCTION CO. INC.	133 TANFORAN AVE
INTERFRESH INC.	901 SNEATH LN 215
LOWE'S HOME CENTERS LLC	1340 EL CAMINO REAL
LUCKY #748	1322 EL CAMINO REAL
LUNARDI'S MARKET	2801 SAN BRUNO AVE W
MARSHALL'S #492	1268 EL CAMINO REAL
MELODY TOYOTA	222 SAN BRUNO AVE E
MOLLIE STONE'S MARKET	851 CHERRY AVE 22
PACIFIC BELL TELEPHONE COMPANY	1101 SAN MATEO AVE
PENINSULA GUNS AND TACTICAL	360 EL CAMINO REAL
PROVIDENCE SAN BRUNO	890 EL CAMINO REAL
RANDSTAD PROFESSIONALS US LLC	850 CHERRY AVE
RECOLOGY SAN BRUNO	101 TANFORAN AVE
RMC MOTORCARS	444 EL CAMINO REAL
SAM'S CLUB.COM/WALMART STORES INC.	950 ELM AVE
SAN BRUNO KWIK SERV	2101 SAN BRUNO AVE W
SAN BRUNO SHELL- GAS STATION	798 EL CAMINO REAL
SAN BRUNO TOWNE CENTER	SAN BRUNO TOWNE CTR
SPECIALTY TOBACCO OUTLET	1230 EL CAMINO REAL L
STRATFORD SCHOOL	2322 CRESTMOR DR
TANFORAN SHELL	1199 EL CAMINO REAL
TARGET STORE T1054	1150 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP	901 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP TAX DEPT.	801 TRAEGER AVE
TIFFANY'S CLEANING SERVICES INC	130 ROSS WAY
TRINITY BUILDING SERVICES	1071 SNEATH LANE
VANTAGEPOINT CAPITAL PARTNERS	1111 BAYHILL DR 220
VICTORY HONDA OF SAN BRUNO	345 EL CAMINO REAL
VINCE'S SHELL FISH CO. INC	1063 MONTGOMERY AVE
WALGREENS #2939	333 EL CAMINO REAL
WALMART.COM USA LLC	850 CHERRY AVE
WELCH FAMILY PARTNERSHIP LLC	383 SAN BRUNO AVE W
WILLIS CONSTRUCTION CO., INC.	2261 SAN JUAN HWY
YOU TUBE INC.	901 CHERRY AVE
YOU TUBE INC.	1250 GRUNDY LN

Source : City of San Bruno Business Tax

City of San Bruno, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	4,821,711	4,821,711	100%	-	4,821,711	100%
2014	5,057,412	5,057,412	100%	-	5,057,412	100%
2015	5,477,246	5,477,246	100%	-	5,477,246	100%
2016	5,812,961	5,812,961	100%	-	5,812,961	100%
2017	6,241,601	6,241,601	100%	-	6,241,601	100%
2018	6,783,529	6,783,529	100%	-	6,783,529	100%
2019	7,059,221	7,059,221	100%	-	7,059,221	100%
2020	7,609,212	7,609,212	100%	-	7,609,212	100%
2021	8,003,597	8,003,597	100%	-	8,003,597	100%
2022	8,596,769	8,596,769	100%	-	8,596,769	100%

Source: City financial records

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County of San Mateo retaining any interest or penalties on uncollected balances.

City of San Bruno, California
Ratios of Outstanding Debt by Type
For the last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities						Subtotal
	Capital Leases	Pension Obligation Bonds	Fire Apparatus 2017 Capital Lease	Cable Router Capital Lease	2022 Fire Engines		
2013	\$ 208,898	\$ 12,549,749	\$ -	\$ -	\$ -	\$12,758,647	
2014	176,562	11,791,267	-	-	-	11,967,829	
2015	143,273	11,025,785	-	-	-	11,169,058	
2016	109,001	10,250,302	-	-	-	10,359,303	
2017	73,719	9,454,820	784,846	-	-	10,313,385	
2018	37,395	8,644,338	616,132	-	-	9,297,865	
2019	-	7,808,856	444,214	1,283,408	-	9,536,478	
2020	-	6,948,374	269,031	980,344	-	8,197,750	
2021	-	6,062,892	90,522	665,719	-	6,819,133	
2022	-	5,142,410	-	339,090	1,600,000	7,081,500	

Fiscal Year Ended June 30,	Business-type Activities							Total Primary Government	Population	Debt Per Capita	Debt As Percent of Personal Income
	Wastewater Certificates of Participation	Wastewater Revenue Refunding Bond	Wastewater Revenue Bonds	Water Revenue Bonds	Cable TV Capital Lease Obligation	City of South San Francisco Sewer Plan Loan	Subtotal				
2013	\$ 7,800,000	\$ -	\$ -	\$ -	\$ 467,213	\$10,360,416	\$18,627,629	\$31,386,276	\$ 42,828	\$ 733	2.1%
2014	-	7,294,634	-	-	36,946	9,380,027	16,711,607	28,679,436	42,355	677.12	1.9%
2015	-	6,986,758	-	-	-	8,571,181	15,557,939	26,726,997	44,409	601.84	2.3%
2016	-	6,708,883	-	-	-	7,741,648	14,450,531	24,809,834	45,360	546.95	1.5%
2017	-	6,426,008	-	-	-	6,890,896	13,316,904	23,630,289	45,295	521.70	1.4%
2018	-	6,128,132	27,096,017	12,861,644	-	6,018,384	52,104,177	61,402,042	46,085	1,332.37	3.3%
2019	-	5,825,258	26,763,483	12,700,089	-	5,123,552	50,412,382	59,948,860	45,257	1,324.63	3.1%
2020	-	5,512,381	26,235,949	12,448,534	-	4,205,832	48,402,697	56,600,446	45,454	1,245.22	2.8%
2021	-	5,184,506	25,693,415	12,191,980	-	3,264,637	46,334,537	53,153,670	45,454	1,169.39	2.5%
2022	-	4,846,630	25,135,881	11,930,425	-	2,299,366	44,212,302	51,293,802	42,656	1,202.50	2.2%

Fiscal Year Ended June 30,	Fiduciary Funds	
	Certificates of Participation	2019 Lease Revenue Bonds
2013	\$ 7,430,000	\$ -
2014	7,170,000	-
2015	6,895,000	-
2016	6,610,000	-
2017	6,310,000	-
2018	5,995,000	-
2019	-	5,299,064
2020	-	4,956,642
2021	-	4,579,220
2022	-	4,186,798

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2022

2021-2022 Assessed Valuation:	\$	9,305,389,632	
		Total Debt	City's Share of
Overlapping Tax and Assessment Debt:		6/30/22	Debt 6/30/22
		% Applicable (1)	
San Mateo Community College District	\$	733,897,184	\$ 25,642,368
South San Francisco Unified School District		164,131,912	1,736,516
San Mateo Union High School District		665,230,852	66,403,344
San Bruno Park School District		63,319,579	60,843,150
Millbrae School District		47,749,527	1,635,899
Total overlapping tax and assessment debt			156,261,277
Ratios to 2021-22 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt			1.68%
Direct and Overlapping General Fund Debt:			
San Mateo County General Fund Obligations		612,605,687	21,404,443
San Mateo County Board of Education Certificates of Participation		6,490,000	226,761
San Mateo County Flood and Sea LRR District General Fund Obligations		14,675,000	889,599
South San Francisco Unified School District General Fund Obligations		2,980,000	31,528
San Bruno Park School District General Fund Obligations		2,145,000	2,061,109
City of San Bruno Fire Engines 2022 Lease		1,600,000	1,600,000
City of San Bruno CATV Router Lease		339,090	339,090
City of San Bruno Pension Obligation Bonds		5,142,410	5,142,410
San Mateo County Mosquito and Vector Control District General Fund Obligations		3,825,000	133,646
Total direct and overlapping general fund debt			31,828,586
Overlapping Tax Increment Debt (Successor Agency)			
City of San Bruno Lease Revenue Bonds		4,186,798	4,186,798
Total overlapping tax increment debt (Successor Agency)			4,186,798
Total Direct Debt			7,081,500
Total Overlapping Debt			185,195,161
Combined Total Debt ⁽²⁾			\$ 192,276,661 (2)
Ratios to Adjusted Assessed Valuation:			
Total Direct Debt (\$7,081,500)			0.08%
Combined Total Debt			2.07%
Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,861,304,404):			
Total Overlapping Tax Increment Debt			0.20%

(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 tax allocation bonds and non-bonded capital lease obligations.

City of San Bruno, California
Legal Debt Margin Information
 Last Ten Fiscal Years
 (in thousands of dollars)

Legal Debt Margin Calculation for Fiscal Year 2022 ⁽¹⁾

Gross Assessed Valuation	\$ 9,305,222,506
Bonded Debt Limit (3.75% of Assessed Value)	<u>348,945,844</u>
Less Amount of Debt Applicable to Limit	-
Legal Bonded Debt Margin	<u>\$ 348,945,844</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 798,292	\$ 842,892	\$ 906,586	\$ 967,607	\$ 260,349	\$ 275,518	\$ 295,778	\$ 315,178	\$ 336,709	\$ 348,946
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 798,292</u>	<u>\$ 842,892</u>	<u>\$ 906,586</u>	<u>\$ 967,607</u>	<u>\$ 260,349</u>	<u>\$ 275,518</u>	<u>\$ 295,778</u>	<u>\$ 315,178</u>	<u>\$ 336,709</u>	<u>\$ 348,946</u>

Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Note:

(1) California Government Code, Section 43605 sets the debt limit at 15% of gross assessed valuation. The Code section was enacted when assessed valuations v This has since changed to 100% of full market value. Thus, the limit shown is 3.75%(one-fourth the limit of 15%).
 FY2016-17 and onwards, the debt limit is at 3.75%.

Source: California Municipal Statistics

City of San Bruno, California
Pledged Revenue Coverage
For the last ten fiscal years

Business-type Activities						
Fiscal Year Ended June 30,	Wastewater Certificates of Participation					
	Gross Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
			Principal	Interest		
2012	\$ 11,341,256	\$ 6,539,668	\$ 4,801,588	\$ 225,000	\$ 392,915	7.77
2013	12,279,292	6,950,728	5,328,564	235,000	383,515	8.62
2014 ⁽³⁾	15,549,816	6,748,392	8,801,424	245,000	-	35.92
2013 Wastewater Revenue Refunding Bonds						
2014 ⁽³⁾	\$ 15,549,816	\$ 6,748,392	\$ 8,801,424	\$ -	\$ 111,024	\$ 79
2015	15,087,098	7,947,063	3,248,307	290,000	289,538	5.60
2016	15,954,642	8,355,894	7,598,748	260,000	281,288	14.04
2017	15,923,694	9,305,503	6,618,191	265,000	273,081	12.30
2018	17,032,182	8,431,394	8,600,788	280,000	263,875	15.81
2019	18,643,453	8,039,977	10,603,476	285,000	253,275	19.70
2020	18,947,384	8,955,800	9,991,584	295,000	241,675	18.62
2021	18,710,405	8,990,002	9,720,403	310,000	229,188	18.03
2022	19,677,857	9,111,455	10,566,402	320,000	217,200	19.67
2017 Wastewater Revenue Bonds						
2018	\$ 17,032,182	\$ 8,431,394	\$ 8,600,788	\$ -	\$ -	-
2019	18,643,453	8,039,977	10,603,476	245,000	1,073,309	8.04
2020	18,947,384	8,955,800	9,991,584	440,000	993,100	6.97
2021	18,710,405	8,990,002	9,720,403	455,000	979,675	6.78
2022	19,677,857	9,111,455	10,566,402	470,000	963,450	7.37
2017 Water Revenue Bonds						
2018	\$ 15,561,896	\$ 8,819,147	\$ 6,742,749	\$ -	\$ -	-
2019	17,721,522	9,032,331	8,689,191	120,000	509,394	13.81
2020	17,614,884	9,715,615	7,899,269	210,000	471,250	11.60
2021	18,031,439	10,443,967	7,587,472	215,000	464,875	11.16
2022	17,078,773	9,486,358	7,592,415	220,000	457,250	11.21

Note:

⁽¹⁾ Gross revenues include nonoperating interest income

⁽²⁾ Operating expenses do not include interest, depreciation, or amortization expenses.

⁽³⁾ In Fiscal Year 2013-14, the City authorized the sale of Wastewater Revenue Refunding Bonds to refinance the outstanding 2002 Certificates of Participation

Source: City financial records

City of San Bruno, California
Demographic and Economic Statistics
 Last ten calendar years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	San Mateo County		
					**School Enrollment	County Unemployment Rate (4)	City Unemployment Rate (4)
2013	42,828	1,516,154,028	35,401	38.8	3,790	6.7%	5.8%
2014	42,355	1,521,349,245	35,919	38.7	3,888	5.4%	4.7%
2015	44,409	1,165,025,706	26,234	38.5	3,900	3.2%	3.1%
2016	45,360	1,609,096,610	36,458	38.7	3,833	3.4%	3.3%
2017	45,295	1,730,857,835	38,213	39.2	3,774	3.0%	2.9%
2018	46,085	1,873,078,740	40,644	39.2	3,854	2.2%	2.3%
2019	45,257	1,940,212,847	42,871	39.3	3,692	1.7%	1.8%
2020	45,454	2,026,702,952	44,588	39.6	3,679	11.1%	13.4%
2021	44,936	2,162,634,872	48,127	39.3	3,462	6.9%	8.1%
2022	42,656	2,358,010,883	55,280	38.8	3,210	1.7%	1.9%

Source: 2020-21 and prior, previously published ACFR Report

Source: Avenu Insights & Analytics

1) Population projections are provided by the State Department of Finance Projections.

2) Income data is provided by the U.S. Census Bureau, 2010 American Community Survey

3) Median age reflects the U.S. Census data estimation table

**School enrollment reflects the total number of students enrolled in Capuchino High & San Bruno Park Elementary School District

4) Unemployment rates are provided by the EDD, Labor Market Information Division
 San Mateo County

City of San Bruno, California
Principal Employers
Current Year and Nine Years Ago

Employer	2021-2022			2012-2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
You Tube, Inc*	2,888	1	10.46%	686		2.97%
Walmart eCommerce Corporate Office	2,165	2	7.84%			
Skyline College**	464	3	1.68%	246		1.06%
Artichoke Joe's Casino	410	4	1.49%	350		1.52%
City of San Bruno	244	5	0.88%	239		1.03%
Target Store	208	6	0.75%	258		1.12%
Lucky Supermarkets	204	7	0.74%			
San Bruno Park School District**	195	8	0.71%			
Lowe's HIW, Inc.	170	9	0.62%	175		0.76%
Capuchino High School (SMUHSD)	111	10	0.40%			
Cisco Ironport Systems, Inc						
Responsys, Inc.				271		1.17%
Lash Group, Inc				260		1.13%
Sears, Roebuck & Co***				260		1.13%
CBR Systems Inc				150		0.65%
Total Top Employers	7,059		25.58%	2,895		12.53%
Total City Labor (1)	27,600			23,100		

Source: Avenu Insights & Analytics
2011-12: Previously published CAFR Report
Results based on direct correspondence with city's local businesses.
(1) Total City Employment provided by EDD Labor Force Data.
*Includes FT, TVCs and Interns
**Includes both full and part time employees

City of San Bruno, California
Full-time Equivalent City Employees by Function/Program
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00
City Treasurer	1.00	1.00	1.00	1.00	1.00	0.50	-	-	-	-
Legal Services	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Manager	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.00
Human Resources	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Finance										
Administration	4.50	5.00	5.00	5.00	5.50	5.50	5.00	5.00	5.00	5.00
Revenue Services	6.00	5.00	5.00	5.00	4.50	4.50	5.00	5.00	5.00	5.00
Police	60.00	61.50	62.50	62.50	64.00	65.00	68.00	69.00	72.00	64.00
Fire	32.75	32.75	33.30	33.40	35.00	35.00	35.00	36.00	36.00	32.00
Public Works										
Admin. & Engineering	6.75	6.70	6.70	6.70	6.70	6.70	6.70	6.70	5.65	7.35
Streets Maintenance	5.05	5.10	5.70	5.80	5.80	5.80	5.70	5.70	5.65	4.70
Community Development										
Planning	3.50	4.50	4.50	4.25	5.75	5.25	5.25	5.25	5.25	5.50
Building	6.50	6.50	7.50	7.75	8.25	8.75	8.75	10.75	7.75	6.50
Parks & Recreation Services										
Recreation	4.00	4.00	4.75	4.90	4.90	4.90	4.90	4.90	4.95	3.95
Parks Maintenance	13.80	13.80	14.30	13.05	13.05	13.05	15.05	15.05	14.85	10.85
Senior Services	3.35	3.35	3.45	3.75	3.65	3.65	3.65	3.65	3.90	2.90
Library Services	7.65	7.65	7.55	7.75	7.85	7.85	7.85	7.85	7.80	7.30
Subtotal	<u>167.10</u>	<u>170.10</u>	<u>174.50</u>	<u>174.10</u>	<u>179.20</u>	<u>179.70</u>	<u>185.35</u>	<u>189.35</u>	<u>188.30</u>	<u>168.55</u>
Other General Funds										
American Rescue Plan Act	-	-	-	-	-	-	-	-	-	19.00
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19.00</u>
Special Revenues										
Solid Waste	0.35	0.35	0.35	0.45	0.45	0.45	0.45	0.45	0.45	0.45
RDA Operation	-	-	-	-	-	-	-	-	-	-
Successor Agency to SB RDA	1.00	-	-	-	-	-	-	-	-	-
RDA Low/Mod Housing	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>1.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>	<u>0.45</u>
Internal Services										
Central Garage	2.85	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.60	2.60
Buildings and Facilities	5.70	5.70	6.45	7.05	7.05	7.05	8.05	8.05	8.85	8.90
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal	<u>12.55</u>	<u>11.55</u>	<u>12.80</u>	<u>13.40</u>	<u>13.40</u>	<u>13.40</u>	<u>14.40</u>	<u>14.40</u>	<u>15.45</u>	<u>15.50</u>
Enterprise Funds										
Water Enterprise	17.30	16.95	17.45	17.45	17.95	17.95	17.95	17.95	17.95	18.20
Stormwater Enterprise	3.65	3.75	4.15	3.95	3.95	3.95	4.05	6.05	6.05	6.05
Wastewater Enterprise	15.55	15.80	16.30	16.30	16.80	16.80	16.80	16.80	16.80	15.75
Cable Enterprise	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	19.00
Subtotal	<u>56.50</u>	<u>56.50</u>	<u>57.90</u>	<u>57.70</u>	<u>58.70</u>	<u>58.70</u>	<u>58.80</u>	<u>60.80</u>	<u>60.80</u>	<u>59.00</u>
Glenview Funds										
Crestmoor (Glenview) Recov	5.00	4.25	3.70	3.70	2.00	0.50	-	-	-	-
Subtotal	<u>5.00</u>	<u>4.25</u>	<u>3.70</u>	<u>3.70</u>	<u>2.00</u>	<u>0.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Positions (all funds)	<u><u>242.50</u></u>	<u><u>242.75</u></u>	<u><u>249.25</u></u>	<u><u>249.35</u></u>	<u><u>253.75</u></u>	<u><u>252.75</u></u>	<u><u>259.00</u></u>	<u><u>265.00</u></u>	<u><u>265.00</u></u>	<u><u>262.50</u></u>

Source: Adopted City Budget

Note: The City began to report Full Time Equivalent Employees by Function in 2004

City of San Bruno, California
Operating Indicators by Function/Program
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Calls for Service	24,405	30,131	32,610	36,144	31,333	42,057	47,429	44,684	41,406	42,260
Physical arrests	989	1,071	1,224	1,280	1,311	1,087	1,627	1,240	845	1,331
Parking violations**	11,559	8,710	8,794	11,675	15,525	14,205	18,252	9,848	13,396	9,969
Traffic collisions	380	369	464	452	384	325	338	237	233	217
Moving citations	1,422	2,659	2,144	2,221	2,225	2,424	2,447	2,199	1,953	1,363
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,916	3,148	3,159	3,574	4,288	3,874	4,006	4,236	4,092	5,486
Number of inspections conducted**	1,358	1,326	1,375	1,420	1,360	1,307	1,415	1,621	1,444	1,110
Public Works										
Street repair (sq. ft.)	3,923	4,792	14,697	861,150	145,204	539,343	816,331	80,999	29,457	227,300
Potholes repaired	2,311	2,670	2,185	1,618	2,333	1,442	1,905	2,546	2,735	1,694
Sidewalk repair (sq. ft)	896	11,625	14,980	651	262	119,922	3,624	8,001	2,003	16,950
Sidewalk curb & gutter repair (ft)	85	927	1,397	109	886	26,041	700	1,269	1,234	1,650
Street light poles replaced		6	14	9	13	65	44	50	10	5
Community Development:										
Plans checks	340	340	527	553	445	549	688	622	162	846
Permits Issued	1,284	1,283	1,339	1,622	1,500	1,468	1,455	1,276	1,471	1,589
Parks & recreation:										
Picnic rentals	673	934	954	859	842	888	820	532	107	771
Number of trees planted	*	63	120	75	100	100	100	71	100	83
Linear miles of medians maintained	*	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Library:										
Library circulation	388,066	358,362	354,047	329,210	337,671	334,711	353,015	294,333	165,059	525,389
Library visits	228,835	248,563	219,343	182,263	179,150	190,466	205,851	161,907	10,813	120,398
Water										
New service connections	265	442	263	285	363	243	282	238	299	161
Gallons purchased (millions of gallons)	725	600	477	507	948	950	1,102	907	2,647	374
Stormwater										
Number of curb miles swept	*	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540
Number of catch basins cleaned and inspected	*	1,223	1,223	1,223	1,223	1,550	2,120	2,680	2,680	2,680
Cable										
Number of Internet service subscribers	*	6,085	6,111	6,337	6,460	6,600	7,260	7,109	7,300	6,650
Number of new customer installation	*	953	1,121	1,208	1,031	1,200	1,500	1,112	1,112	1,350

* Historical data is not available

**Calendar year as of October 31

Source: Various City department records. Started tracking by function in 2011

City of San Bruno, California
Capital Asset Statistics by Function/Program
 Last Eight Fiscal Years
 (Fiscal year ended June 30)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety								
Number of police stations	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	2	2	2
Public Works								
Miles of streets	89	89	89	89	89	89	89	89
Average Citywide Pavement Condition Index (PCI) Score	65	64	62	61	66	62	65	84
Miles of Sidewalk	178	178	178	178	178	178	178	178
Number of street lights	*	*	*	*	1,909	1,909	1,909	41
Number of traffic signals	17	17	17	17	17	17	17	17
Number of street signs	*	*	*	*	4,943	5,240	5,245	439
Water								
Miles of water mains	*	*	*	*	120	120	120	120
Number of fire hydrants	*	*	*	*	949	949	950	985
Number of water wells	4	4	4	4	4	4	4	5
Number of pump stations	8	8	8	8	8	8	8	8
Number of water tanks	8	8	8	8	8	8	8	8
Number of pressure regulator stations	26	26	26	26	26	26	26	13
Wastewater/Sewer								
Miles of sanitary sewers main	*	*	*	*	89	89	89	87
Miles of sewer lift (pump) stations	6	6	6	6	6	6	6	6
Stormwater								
Number of storm sewer main	36	36	36	36	36	36	36	36
Number of trash capture devices	55	55	55	55	277	284	287	293
Leisure and Culture								
Number of parks	18	18	18	18	18	18	19	19
Acres of maintained landscaped areas	96	96	96	96	97	97	97	97
Acres of open space	128	128	128	128	128	128	128	128
Number of trees	*	4,700	6,300	6,300	6,777	6,777	6,777	6,777
Number of libraries	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1
Number of recreation center facilities	1	1	1	1	1	1	1	1

Note:

* Historical data is not available

Source: City of San Bruno