



City of San Bruno, California

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2021

(with comparative totals for the Fiscal Year Ended June 30, 2020)



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CITY OF SAN BRUNO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**PREPARED BY:
FINANCE DEPARTMENT**

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CITY OF SAN BRUNO, CALIFORNIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	i
Organization Chart.....	iv
Directory of Officials.....	v
Certificate of Achievement.....	vi

FINANCIAL SECTION

<i>Independent Auditor’s Report</i>	1
<i>Management’s Discussion and Analysis</i>	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	25
Statement of Activities	26

Fund Financial Statements:

Balance Sheet – Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Net Position – Proprietary Funds	36
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	38
Statement of Cash Flows – Proprietary Funds	40

**CITY OF SAN BRUNO, CALIFORNIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

Table of Contents

FINANCIAL SECTION (Continued)

Statement of Net Position – Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	45
Notes to Basic Financial Statements	47

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	90
Schedule of Changes in the Net Pension Liability and Related Ratios – Agent Multiple- Employer Defined Pension Plan	91
Schedule of Contributions – Agent Multiple-Employer Defined Pension Plan	92
Schedule of Changes in the City’s Proportionate Share of Net Pension Liability and Related Ratios – Cost Sharing Defined Benefit Pension Plan.....	93
Schedule of Contributions – Cost Sharing Defined Benefit Pension Plan.....	94

Supplementary Information

General Fund Combining Balance Sheet.....	96
General Fund Combining Schedule of Statement of Revenues, Expenditures, and Changes in Fund Balances	97
General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Street Improvement Capital Project Fund.....	100

Non-major Governmental Funds:

Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	110

**CITY OF SAN BRUNO, CALIFORNIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

Table of Contents

FINANCIAL SECTION (Continued)

Internal Service Funds:

Combining Statement of Net Position	118
Combining Statement of Revenues, Expenses and Changes in Net Position	120
Combining Statement of Cash Flows	122

STATISTICAL SECTION

Net Position by Component	127
Changes in Net Position	128
Fund Balances of Governmental Funds	130
Changes in Fund Balance of Governmental Funds	131
Assessed Value and Estimated Actual Value of Taxable Property	132
Direct and Overlapping Property Tax Rates	133
Principal Property Taxpayers	134
Schedule of Top 40 Business License Taxpayers	135
Property Tax Levies and Collection	136
Ratios of Outstanding Debt by Type	137
Direct and Overlapping Governmental Activities Debt	138
Legal Debt Margin Information	139
Pledged Revenue Coverage	140
Demographic and Economic Statistics	141
Principal Employers	142

**CITY OF SAN BRUNO, CALIFORNIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

Table of Contents

STATISTICAL SECTION (Continued)

Full Time Equivalent City Employees by Function/Program.....	143
Operating Indicators by Function/Program	144
Capital Asset Statistics by Function/Program	145

INTRODUCTORY SECTION

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December 21, 2021

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

Dear Mayor and Members of the City Council:

The Annual Comprehensive Financial Report (ACFR) for the City of San Bruno is submitted for the fiscal year ended June 30, 2021. The City compiles and assists in the preparation of the annual financial report covering the financial condition and results of operations for the City. Responsibility for the accuracy of the data and fairness of presentation, including all footnotes and disclosures, rests with the City.

City management has established an internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile necessary information for preparing the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. City management asserts that to the best of its knowledge this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the certified public accounting firm of Maze & Associates. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent audit provides reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021 are free of material misstatements.

Maze & Associates concluded there is a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the Financial Section of this report.

Management has provided a narrative introduction, overview, and analysis accompanying the basic financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal complements 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

San Bruno is located on the San Francisco Peninsula in San Mateo County, approximately 12 miles south of San Francisco, and lies immediately adjacent to the San Francisco International Airport. The total land area of San Bruno is 5.5 square miles and serves a residential population of 44,936.

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 governing council is responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing day-to-day operations, and appointing department directors. The City provides a full range of services including police, fire, public works services including streets, water, sewer, and stormwater, community services including parks maintenance, recreation, senior, and library services. The City's CityNet enterprise provides cable television, internet, streaming services, and telephone services. General government activities include city administration, legal services, finance, human resources, and technology. The City employs 265 full-time equivalent positions.

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 the fiscal year.

The City Council exercises budgetary control at the fund level. 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.

Local Economy and Financial Overview

The City's geographic location significantly impacts its economic position. 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.

This geography makes San Bruno a well-liked location for residents and businesses. Home prices continued to rise during COVID, while the commercial real estate market languished when many people worked from home. Consumer confidence and spending have been strong throughout the pandemic. The hospitality industry is recovering, indicating an improvement in transient occupancy taxes (TOT). Labor markets are tight and the unemployment rate has fallen to the level similar to pre-COVID. Wages are on the rise and supply chain disruptions have triggered rising global inflation. San Bruno's local economy usually trends the macroeconomic development nationally and globally.

Financial Policies and Planning

The City's long-term financial policies place an emphasis on sufficient reserves ensuring the City has adequate funds available to meet future needs. Through its prudent fiscal management and use of budgetary controls, the City has managed to grow its reserves during the past several years in compliance with the City Council adopted reserve policy. The City has a formal policy to limit the use of one-time/non-recurring

revenues to balance the budget and directs these funds to reserves whenever feasible. For fiscal year 2020-21, major budget reductions were needed to keep the budget in balance due to the COVID pandemic. Some budget reductions were restored in FY 2021-22 with funding from the American Rescue Plan Act. When more Americans get vaccinated and the overall economy improves, the City's financial status will follow suit.

Every year, the City develops a five-year Capital Improvement Program (CIP) plan detailing specific budgeted capital projects. Each of the projects are consistent with the overall goals and principles of the City Council. Numerous capital projects were in process or completed during the fiscal year improving the City's facilities, parks, stormwater drainage, water and wastewater infrastructure, and maintenance of streets.

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, 2020. 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

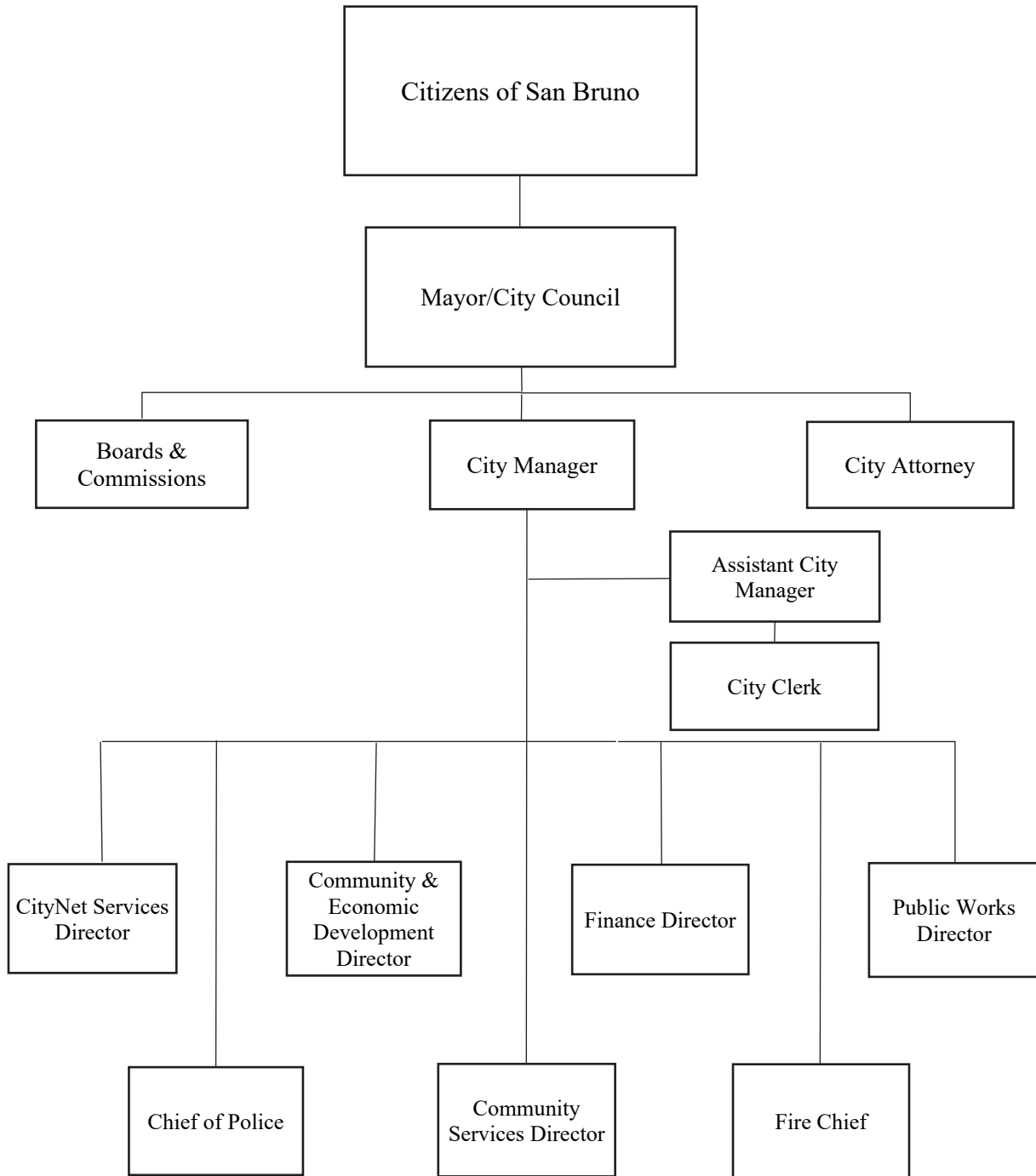
I would like to express my appreciation for the collective effort that was required for the preparation of this Annual Comprehensive Financial Report. I would like to thank the City Council for its interest and policy oversight on the various fiscal issues addressed during the year. In addition, the City Manager's Office and the City's Department Directors should be acknowledged for their continued attention to planning and conducting the City financial and procurement operations in a responsible and progressive manner. I would also like to thank the dedicated members of the Finance Department who worked diligently to support all aspects of this audit and on-going operations and projects of the City. Finally, I thank Maze & Associates for their assistance in conducting the audit.

Respectfully submitted,



Qianyu Sun
Finance Director

CITY OF SAN BRUNO ORGANIZATION CHART



Directory of Officials

Elected Officials

Rico E. Medina
Marty Medina
Linda Mason
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
Vacant
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, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the City Council
City of San Bruno, California

Report on the Financial Statements

We have audited the accompanying 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, California, as of and for the years ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds as discussed in Note 1 to the financial statements.

Management early adopted the provisions of Governmental Accounting Standards Board Statement No. 98 – *The Annual Comprehensive Financial Report* which changes the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

Emphasis of a Matter

CityNet Services Enterprise Fund – Operating Loss and Deficit Net Position

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of American, which contemplate the continuation of the City as a going concern. The CityNet Services Enterprise Fund has an operating loss of \$906,808 and a deficit net position of \$17,878,960 for the year ending June 30, 2021. The CityNet Services fund has interfund balances due to negative cash in the amount of \$14,091,008. If deficit spending continues in the CityNet Services fund and it continues to borrow from the General Fund, it reduces the likelihood that the CityNet Services fund will be able to continue as a going concern.

The emphasis of this matter does not constitute a modification to our opinions.

Report on Summarized Comparative Information

We have previously audited the City’s June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, 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.

Other 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 Introductory Section, Supplementary Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 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 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 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.

Maze + Associates

Pleasant Hill, California
December 21, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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 2020-21

Entity-wide:

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2021 by \$161.8 million (net position). The City's net position increased \$14.9 million, or 10.2%, from the previous fiscal year.
- The City's governmental activities program and general revenues of \$63.6 million exceeded expenses of \$58.3 million by \$5.4 million. After transfers to other funds of \$0.2 million, governmental net position increased by \$5.2 million to \$41.5 million.
- The City's business-type activities program revenues and general revenues from the four enterprise operations of \$46.4 million were greater than expenses of \$36.9 million by \$9.5 million. After transfers in from other funds of \$0.2 million, business-type activities net position increased by \$9.7 million to \$120.3 million.

Fund level:

- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$58.1 million, an increase of \$8.7 million compared to the prior year. Of this amount, \$14.4 million, is nonspendable, \$22.8 million is restricted, \$30.4 million is assigned, and \$(9.5) million is unassigned.
- Revenues for governmental funds exceeded expenditures by \$9.0 million. Tax revenue grew \$7.6 million, or 25.3%, from the prior year. Expenditures for governmental funds decreased \$1.7 million, or 3.1%, from the prior year mainly due to reduced 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.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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 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 25 and 26 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, which is considered to be a major fund. 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 30 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.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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 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 36 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 44 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 47 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 90 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 96 of this report.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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 \$161.8 million at the close of fiscal year 2020-21.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 72,767,674	\$ 56,825,673	\$ 80,520,946	\$ 77,706,210	\$ 153,288,620	\$ 134,531,883
Capital assets, net	69,544,443	70,520,860	105,046,800	101,999,056	174,591,243	172,519,916
Total assets	<u>142,312,117</u>	<u>127,346,533</u>	<u>185,567,746</u>	<u>179,705,266</u>	<u>327,879,863</u>	<u>307,051,799</u>
Deferred outflows of resources	16,656,156	15,162,787	2,270,964	1,907,290	18,927,120	17,070,077
Current liabilities	15,582,710	10,233,615	6,567,338	8,759,572	22,150,048	18,993,187
Noncurrent liabilities	99,502,943	92,473,665	60,927,054	61,961,827	160,429,997	154,435,492
Total liabilities	<u>115,085,653</u>	<u>102,707,280</u>	<u>67,494,392</u>	<u>70,721,399</u>	<u>182,580,045</u>	<u>173,428,679</u>
Deferred inflows of resources	2,389,141	3,480,503	-	287,190	2,389,141	3,767,693
Net Position						
Net investment in capital assets	68,788,202	69,271,484	58,800,601	53,787,761	127,588,803	123,059,245
Restricted	22,782,488	22,102,576	4,123,199	15,720,390	26,905,687	37,822,966
Unrestricted	(50,077,211)	(55,052,523)	57,420,518	41,095,816	7,343,307	(13,956,707)
Total net position	<u>\$ 41,493,479</u>	<u>\$ 36,321,537</u>	<u>\$ 120,344,318</u>	<u>\$ 110,603,967</u>	<u>\$ 161,837,797</u>	<u>\$ 146,925,504</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 (\$127.6 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 (\$26.9 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 \$7.3 million. This amount may be used at the City's discretion to meet ongoing obligations to citizens and creditors.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The City's overall net position increased by \$14.9 million, or 10.2%, from the prior fiscal year. Key elements of these changes are as follows:

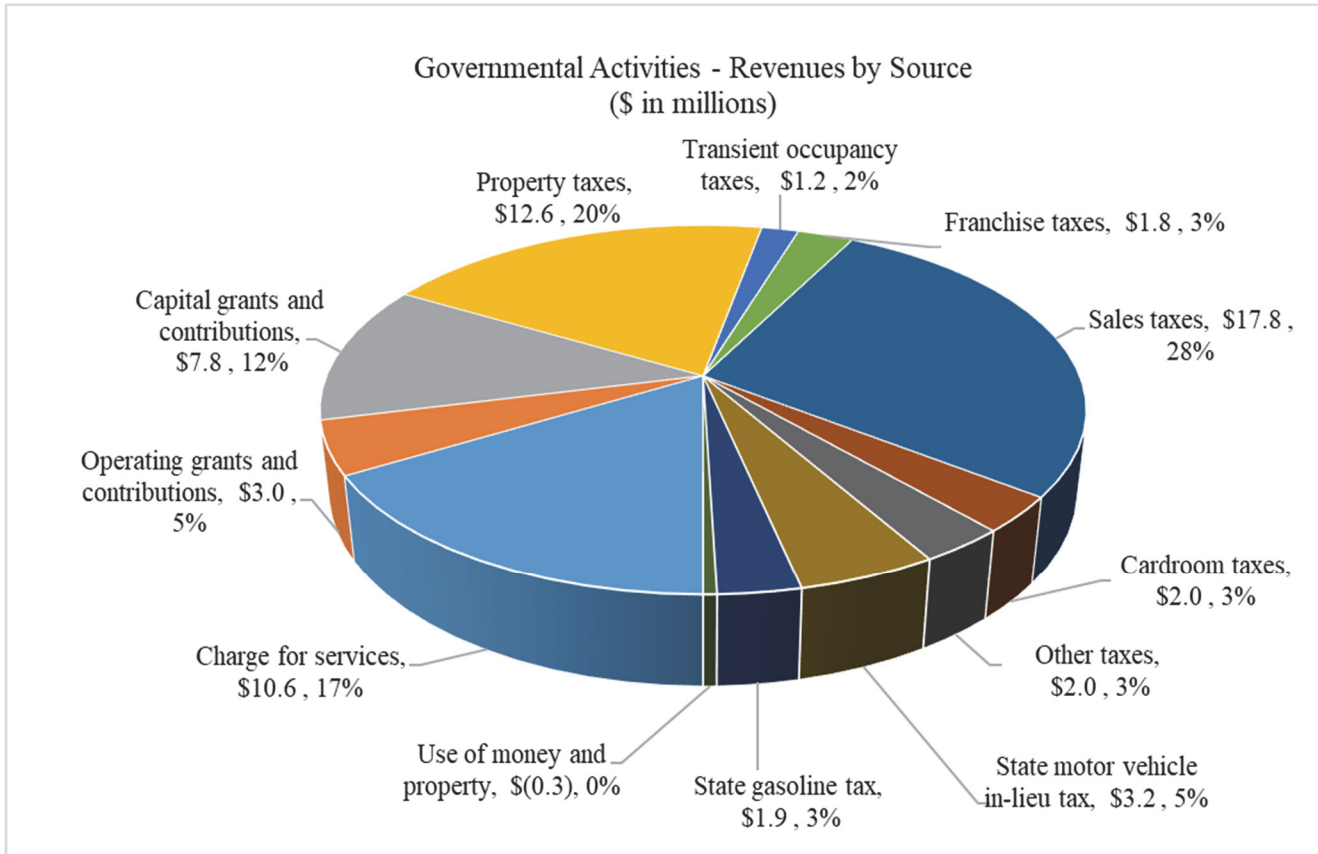
Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charge for services	\$ 10,585,312	\$ 10,039,023	\$ 45,921,393	\$ 45,121,825	\$ 56,506,705	\$ 55,160,848
Operating grants and contributions	3,022,800	2,231,014	-	-	3,022,800	2,231,014
Capital grants and contributions	7,808,476	7,735,245	-	-	7,808,476	7,735,245
General revenues:						
Property taxes	12,618,447	12,212,891	-	-	12,618,447	12,212,891
Transient occupancy taxes	1,247,467	2,617,524	-	-	1,247,467	2,617,524
Franchise taxes	1,798,673	1,861,256	-	-	1,798,673	1,861,256
Sales taxes	17,780,042	9,281,920	-	-	17,780,042	9,281,920
Cardroom taxes	2,035,009	1,974,980	-	-	2,035,009	1,974,980
Other taxes	2,045,462	1,972,392	-	-	2,045,462	1,972,392
State motor vehicle in-lieu tax	3,180,581	5,013,326	-	-	3,180,581	5,013,326
State gasoline tax	1,852,026	1,844,231	-	-	1,852,026	1,844,231
Use of money and property	(341,249)	2,130,318	498,412	1,413,655	157,163	3,543,973
Total revenues	63,633,046	58,914,120	46,419,805	46,535,480	110,052,851	105,449,600
Expenses:						
General government	8,441,787	9,606,933	-	-	8,441,787	9,606,933
Public safety	32,515,036	31,788,329	-	-	32,515,036	31,788,329
Public works	3,131,204	1,566,728	-	-	3,131,204	1,566,728
Streets	4,081,082	4,224,797	-	-	4,081,082	4,224,797
Parks and recreation	4,814,770	5,817,710	-	-	4,814,770	5,817,710
Library	2,298,623	2,458,480	-	-	2,298,623	2,458,480
Community and economic development	2,652,300	3,057,191	-	-	2,652,300	3,057,191
Interest expense	324,944	373,262	-	-	324,944	373,262
Water	-	-	12,697,845	12,137,204	12,697,845	12,137,204
Stormwater	-	-	1,375,960	2,287,138	1,375,960	2,287,138
Wastewater	-	-	12,879,291	12,926,033	12,879,291	12,926,033
CityNet	-	-	9,927,716	11,053,095	9,927,716	11,053,095
Total expenses	58,259,746	58,893,430	36,880,812	38,403,470	95,140,558	97,296,900
Increase (decrease) in net position before transfers	5,373,300	20,690	9,538,993	8,132,010	14,912,293	8,152,700
Transfers	(201,358)	(1,269,703)	201,358	1,269,703	-	-
Increase (decrease) in net position	5,171,942	(1,249,013)	9,740,351	9,401,713	14,912,293	8,152,700
Net position - beginning	36,321,537	37,570,550	110,603,967	101,202,254	146,925,504	138,772,804
Net position - ending	\$ 41,493,479	\$ 36,321,537	\$ 120,344,318	\$ 110,603,967	\$ 161,837,797	\$ 146,925,504

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Governmental Activities



Governmental activities increased the City’s net position by \$5.2 million, with a total net position of \$41.5 million at the end of the fiscal year. Overall, revenues increased by \$4.7 million to \$63.6 million over the prior year. Robust sales tax revenues mitigated decreases in other tax categories like transient occupancy tax and State motor vehicle license in-lieu revenues. Sales tax grew by \$8.5 million, 91.6%, after the City entered into a Revenue Participation Agreement with a major taxpayer in October 2020. In addition, the City reported a full year of Measure G transaction and use tax revenue. Measure G was approved on November 3, 2019 and became effective on April 1, 2020. The City’s second largest tax category, property taxes, increased by \$0.4 million, 3.13%, while State revenues from motor vehicle in-lieu tax decreased by \$1.8 million, 36.6%. The reduction in the number of non-basic aid school districts in San Mateo County resulted in less available property tax revenues to fund the vehicle license fee revenue. Transient occupancy taxes decreased by \$1.4 million, 52.3%, as leisure and business travel continued to contract as a result of the ongoing COVID-19 pandemic. Operating grants and contributions increased \$0.8 million, 35.5%, mainly due to receipt of federal funds related to COVID-19 and responding to mutual aid events during fire season. Expenses decreased \$0.6 million, 1.1%, after the City cut expenditures judiciously on concerns over the pandemic.

The cost of all governmental activities this year was \$58.3 million. As shown in the statement of activities, the amount that taxpayers paid for these activities with general revenues was \$42.2 million because some of the costs were paid by those specifically benefiting from the programs (\$10.6 million), by other governments and organizations subsidizing programs with grants, and contributions (\$10.8 million) for operations and capital improvement.

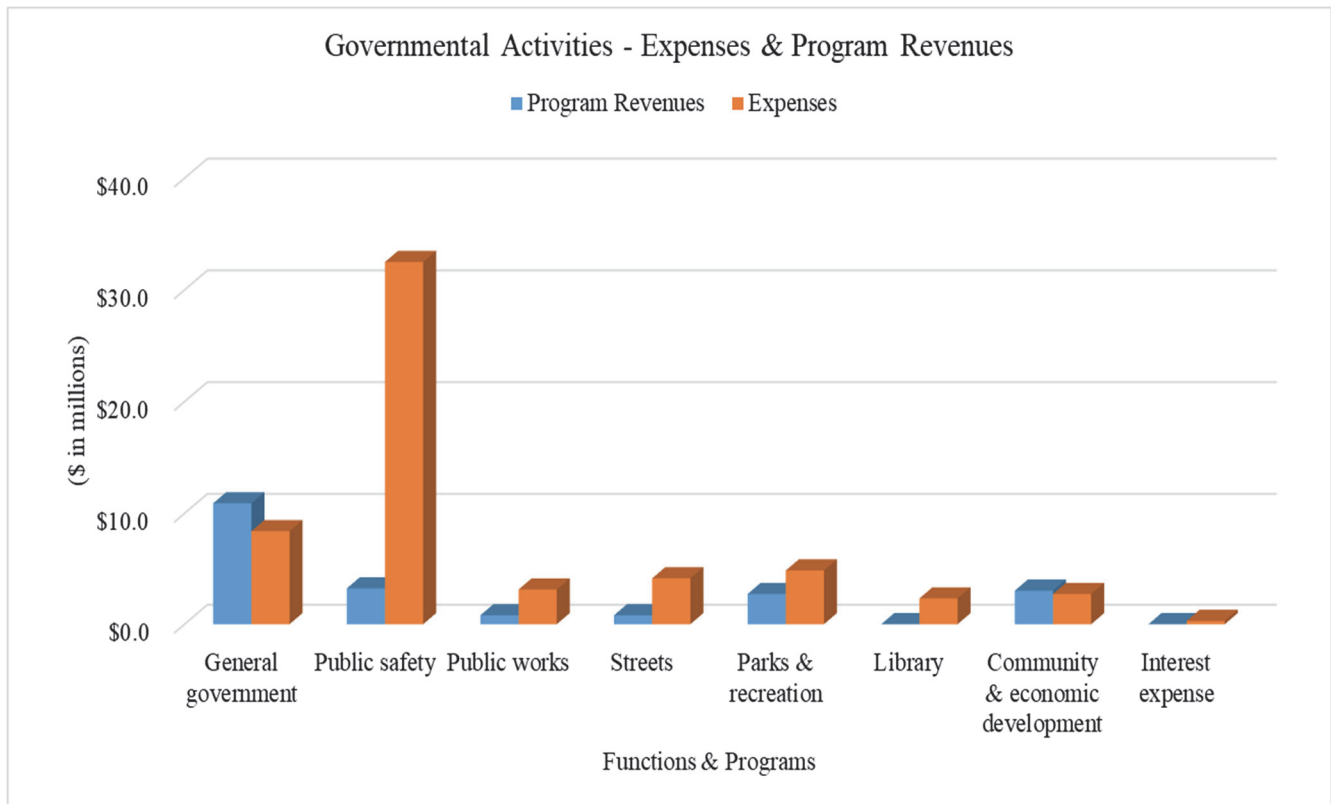
CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The City’s programs include 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	
	2021	2020	2021	2020	2021	2020
Governmental activities:						
General government	\$ 10,895,714	\$ 4,274,900	\$ 8,441,787	\$ 9,606,933	\$ 2,453,927	\$ (5,332,033)
Public safety	3,241,085	2,911,875	32,515,036	31,788,329	(29,273,951)	(28,876,454)
Public works	808,585	525,924	3,131,204	1,566,728	(2,322,619)	(1,040,804)
Streets	803,462	1,365,190	4,081,082	4,224,797	(3,277,620)	(2,859,607)
Parks & recreation	2,695,724	4,616,011	4,814,770	5,817,710	(2,119,046)	(1,201,699)
Library	49,853	79,395	2,298,623	2,458,480	(2,248,770)	(2,379,085)
Community & economic development	2,922,165	6,231,987	2,652,300	3,057,191	269,865	3,174,796
Interest expense	-	-	324,944	373,262	(324,944)	(373,262)
Total governmental activities	\$ 21,416,588	\$ 20,005,282	\$ 58,259,746	\$ 58,893,430	\$ (36,843,158)	\$ (38,888,148)

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



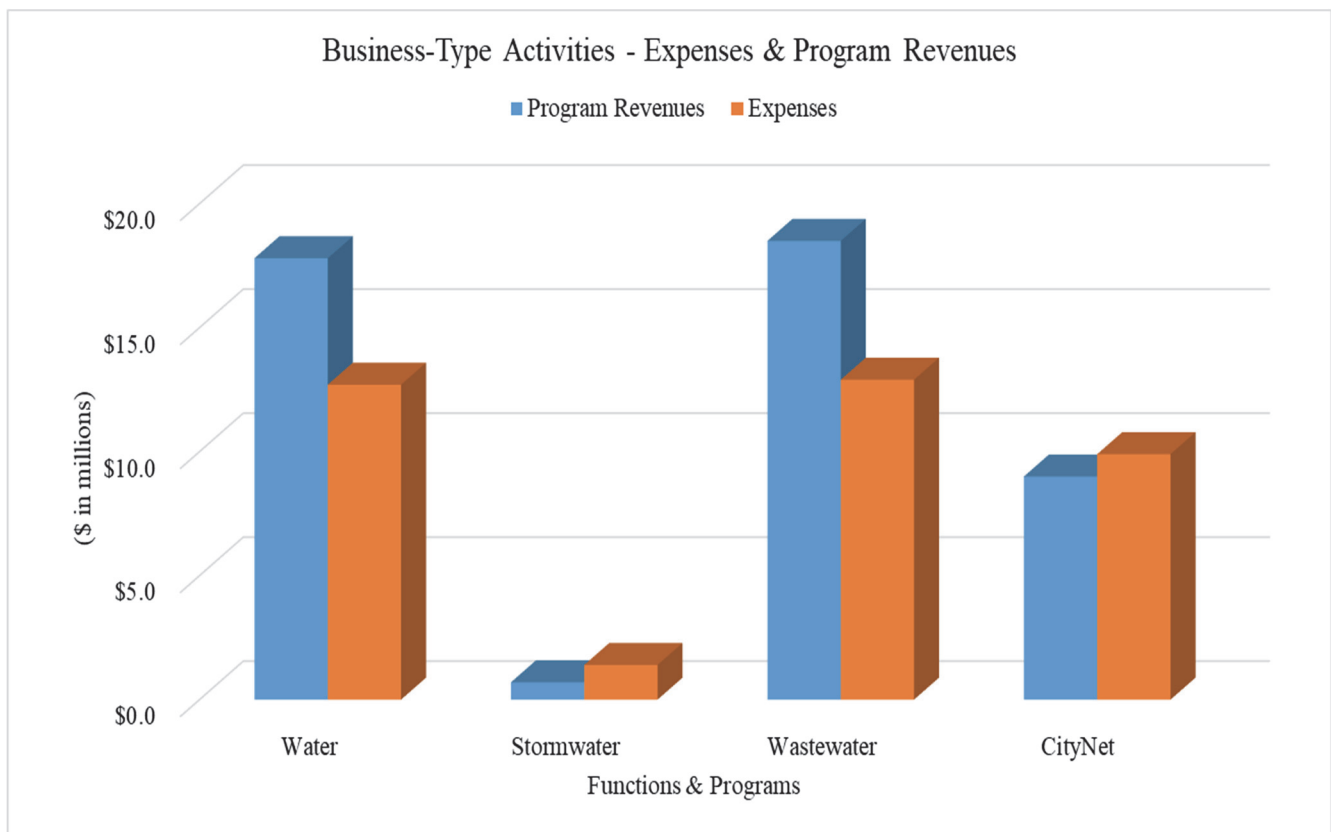
CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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 \$120.3 million. The total increase in net position for business-type activities was \$9.7 million. The Water and Wastewater Funds directly contributed to the growth because of an annual 5% rate increase to maintain utility infrastructure. Charges for services of \$17.8 million and \$18.5 million covered expenses of \$12.7 million and \$12.9 million, respectively. Stormwater charges for services of \$0.7 million continued to be insufficient to support expenses of \$1.4 million. CityNet charges for services of \$9.0 million also continued to be insufficient to support expenses of \$9.9 million. Total resources available during the year to finance business-type activities were \$46.6 million consisting of program revenues, investment income, and transfers. Total business-type activities expenses during the year were \$36.9 million.

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, 2021**

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	
	2021	2020	2021	2020	2021	2020
Business-type activities:						
Water	\$ 17,777,900	\$ 16,936,737	\$ 12,697,845	\$ 12,137,204	\$ 5,080,055	\$ 4,799,533
Stormwater	655,608	650,555	1,375,960	2,287,138	(720,352)	(1,636,583)
Wastewater	18,470,837	18,230,960	12,879,291	12,926,033	5,591,546	5,304,927
CityNet	9,017,048	9,303,573	9,927,716	11,053,095	(910,668)	(1,749,522)
Total business-type activities	<u>\$ 45,921,393</u>	<u>\$ 45,121,825</u>	<u>\$ 36,880,812</u>	<u>\$ 38,403,470</u>	<u>\$ 9,040,581</u>	<u>\$ 6,718,355</u>

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.

At June 30, 2021, governmental funds reported combined fund balances of \$58.1 million, an increase of \$8.7 million, 3.7%, over the prior year. Of this amount, \$14.4 million is non-spendable as the funds were advanced to CityNet services for the Shelter Creek Fiber to the Home project, \$0.3 million, and for the negative cash balance in the fund, \$14.1 million. The City is developing a plan to reduce the net operating loss and repay the General Fund the balance due. The remainder of the fund balance is either restricted, assigned, or unassigned to indicate that it is (1) restricted for particular purposes, \$22.8 million; or (2) assigned for particular purposes, \$30.4 million; or (3) unassigned and available at the City’s discretion, \$(9.5) 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 \$56.2 million, which is an increase of \$9.9 million, 21.3%, from the prior year. This was mainly due to growth from sales tax, property tax, licenses and permit revenue, and receipt of community benefit funds from YouTube and G.W. Williams. Expenditures totaled \$48.2 million, which decreased slightly by \$0.2 million, 0.5%, from the prior year. The decline can be attributed to unspent consultant services that will be carried over to next fiscal year and salary savings from the Community and Economic Development Department and unspent operating supplies and salary savings from the Streets Division. At the end of the fiscal year, total fund balance increased by \$8.0 million to \$35.4 million.

The Street Improvement Capital Projects Fund provides for the rehabilitation of the City’s streets, sidewalks, streetlights, traffic signals, and street medians. While expenditures of \$1.5 million were the same as the prior year, grant revenues totaled \$0.7 million, which is a decrease of \$0.6 million, -44.8%, from the prior year. The main funding source is transfers from other funds of \$5.0 million. At the end of the fiscal year, total fund balance increased by \$3.3 million because transfers in exceeded transfers out by \$4.1 million, which offset expenditures exceeding revenue of \$0.8 million. Transfers in from various transportation, streets, and road improvement funding sources were made for numerous projects including: Pedestrian Safety and Traffic Calming Improvements at San Bruno Avenue and Cherry Avenue, \$1.1 million, 20-21 Street Rehabilitation Project, \$1.7 million, and Streetlight Pole Replacement Program, \$0.4 million.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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 \$5.4 million to \$65.3 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 the coming 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.

Wastewater Fund net position increased by \$5.9 million to \$66.4 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 the coming 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.

Stormwater Fund net position decreased by \$0.6 million to \$5.0 million due to operating expenses exceeding revenues and transfers in. The long-range financial forecast, without any additional dedicated revenue to support the enterprise, is projected to yield a negative fund balance beginning in FY2021-22 with the negative fund balance each year thereafter. The few 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 voters overwhelmingly and the City is exploring alternative options to address much needed stormwater system improvements.

CityNet Fund net position decreased by \$0.9 million to \$(17.9) million. This decline is primarily a result of operating expenses exceeding operating revenues. Depreciation expense of \$0.4 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 90, 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, 2021

Original Budget Compared to Final Budget:

The City was hit hard by the pandemic recession during FY 2020-21. Due to economic uncertainty, the original budget was modified significantly during the year.

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

Revenues	Orig Budget	Final Budget	Variance	Percent Change
Sales Tax	\$6,333,926	\$9,333,926	\$3,000,000	47.4%
Transient Occupancy Tax	2,125,467	950,000	(1,175,467)	-55.3%
Subtotal - Significant Tax Source	8,459,393	10,283,926	1,824,533	21.6%
Licenses and permits	4,267,477	4,942,887	675,410	15.8%
Intergovernmental	5,134,141	4,621,728	(512,413)	-10.0%
Charges for services	2,818,072	1,909,176	(908,896)	-32.3%
Other revenues	4,840,318	9,315,355	4,475,037	92.5%

Sales tax revenue estimates were increased to \$3.0 million, 47.4%, to account for the receipts from the Revenue Participation Agreement with a major vendor. Transient Occupancy tax estimates were revised down by \$1.2 million, -55.3%, to account for the projected drop off in leisure and business travel. Licenses and permits estimate increased by \$0.7 million, 15.8%, to account for additional receipts from encroachment permits, plan check fees, and business license permit revenues. Intergovernmental revenue estimates decreased by \$0.5 million, -10.0%. The reduction in the number of non-basic aid school districts in San Mateo County resulted in less available property tax revenues to fund the vehicle license fee revenue. Charges for services estimates decreased by \$0.9 million, -32.3%, as a result of extended closure of recreation and senior programs. Other revenues estimates increased by \$4.5 million, 92.5%, to account for receipt of community benefit funds from YouTube.

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

Expenditures	Orig Budget	Final Budget	Variance	Percent Change
General government	\$6,171,897	\$6,851,656	\$679,759	11.0%
Public works	1,252,093	1,537,934	285,841	22.8%
Parks and recreation	6,008,640	4,783,934	(1,224,706)	-20.4%
Library	2,070,741	1,942,291	(128,450)	-6.2%
Community and economic development	2,506,727	3,057,510	550,783	22.0%
Capital outlay	355,735	848,615	492,880	138.6%

General government appropriations increased by \$0.7 million, 11%, to account for federal Coronavirus Relief Funds utilized for necessary expenditures incurred due to the COVID-19 public health emergency and consultant services to support various City initiatives. Public Works appropriations and Community and Economic Development appropriations had combined increases of \$0.8 million, 22.3%, for additional staff support and consultant services to support various City initiatives. Parks, Recreation, and Library Services Divisions appropriations had combined decreases of \$1.4 million, -16.7%, to account for extended program closures.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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
Sales Tax	\$12,244,943	\$16,176,868	\$3,931,925	32.1%
Property Tax	11,131,981	11,292,918	160,937	1.4%
Transient Occupancy Tax	950,000	1,247,467	297,467	31.3%
Subtotal - Significant Tax Source	24,326,924	28,717,253	4,390,329	18.0%
Charges for services	1,909,176	2,093,216	184,040	9.6%
Fines and forfeitures	1,049,200	722,685	(326,515)	-31.1%
Other revenues	9,315,355	9,964,869	649,514	7.0%

Tax revenues saw increases in sales tax, property tax, and transient occupancy tax. The largest increase came from sales tax because the City received additional sales tax revenue by entering into a Revenue Participation Agreement with a major taxpayer in October 2020. In addition, the City reported a full year of Measure G half-cent transactions and use tax. By fiscal year end, sales tax revenue came in \$3.9 million, 32.1%, over budget. Property tax increased modestly and came in \$0.2 million, 1.4%, over budget due to increased property values. Although transient occupancy tax came in \$0.3 million, 31.3% , over budget, it was still significantly lower compared with receipts prior to the COVID-19 pandemic. 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 close to \$0.2 million, 9.6%, more than estimated. The final budget was a conservative estimate due to programming uncertainty during the COVID-19 pandemic. Fines and forfeitures came in \$0.3 million, 31.1%, below budget as a result of a decrease in police and parking fine collections. The other revenues category exceeded the budget by \$0.6 million, 7%, because the City recorded additional overhead revenue from capital improvement program projects, Mills Park community benefit funds from G.W. Williams, and San Bruno Community Foundation reimbursement for a mobile command vehicle.

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

Expenditures	Final Budget	Actual Expenditures	Variance	Percent Change
Streets	\$2,028,381	\$1,570,931	\$457,450	22.6%
Community and economic development	3,057,510	2,516,995	540,515	17.7%

The challenges that arose from the start of the COVID-19 pandemic continued into FY2020-21. 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 uninterrupted service delivery. As a result, total expenditures were \$48.2 million, about \$1.6 million, or 3% under budget. Streets Division expenditures were \$0.5 million, 22.6%, below budget due to salary savings from vacant positions and savings in streetlight and traffic signal supplies, other operating supplies, and contractual services. Community and Economic Development Department expenditures were \$0.5 million, 17.7%, below budget due to salary savings from vacant positions and unspent professional services funds which will be carried over to next fiscal year.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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 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. At June 30, 2021, net capital assets of the governmental activities totaled \$69.5 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2020-21 fiscal year, net capital assets for governmental activities decreased by \$1.0 million due to depreciation in excess of additions. For business-type activities, capital assets increased by \$3.0 million to \$105.0 million due to additions in excess of depreciation. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,649,235	\$ 4,649,235	\$ 576,842	\$ 576,842	\$ 5,226,077	\$ 5,226,077
Construction in Progress	7,964,654	5,429,970	12,334,468	12,827,848	20,299,122	18,257,818
Infrastructure	45,291,885	47,702,507	-	-	45,291,885	47,702,507
Sewer Plant	-	-	12,170,648	11,845,873	12,170,648	11,845,873
Buildings & Structures	6,897,115	7,412,166	72,854,125	68,474,433	79,751,240	75,886,599
Machinery & Equipment	4,741,554	5,326,982	7,110,717	8,274,060	11,852,271	13,601,042
Total	\$ 69,544,443	\$ 70,520,860	\$ 105,046,800	\$ 101,999,056	\$ 174,591,243	\$ 172,519,916

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

Debt Administration

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

	Summary of Long-Term Debt	
	2021	2020
Governmental Activities		
2017 Capital Lease Obligation	\$ 90,522	\$ 269,032
2018 Capital Lease Obligation	665,719	980,344
2013 Pension Obligation Bond	6,062,892	6,948,374
Subtotal Governmental Activities Debt	6,819,133	8,197,750
Business-Type Activities		
Due to South San Francisco - 1997 Loan	1,134,660	1,680,517
Due to South San Francisco - 2007 Loan	2,129,976	2,525,314
2013 Wastewater Revenue Refunding Bond	5,184,508	5,512,383
2017 Wastewater Revenue Bond	25,693,415	26,235,949
2017 Water Revenue Bond	12,191,979	12,448,534
Subtotal Business-Type Activities Debt	46,334,538	48,402,697
Fiduciary Activities		
2019 Lease Revenue Bonds	4,579,220	4,956,642
Subtotal Fiduciary Activities Debt	4,579,220	4,956,642
Total Long-Term Debt Obligations	\$ 57,732,891	\$ 61,557,089

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

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 2021-22 budget:

General Fund revenues

- Total General Fund revenues of \$49.8 million projected for FY2021-22 are flat compared to the FY2020-21 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 only receives about 12 1/2 cents from every property tax dollar paid in San Bruno. An additional 2 cents of property tax revenue have come to the City in recent years from the Educational Revenue Augmentation Fund, or 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 and more people worked from home because of Coronavirus and stay-at-home directives. Property Tax revenue is expected to show a slight increase of about 3% over the prior fiscal year budget primarily due to higher property reassessment anticipated to occur.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

- Sales Tax of 9.75% is assessed on every taxable sale in San Bruno. Of the 9.75%, the City receives 1.5% or about 15% of the total tax. For FY2021-22 total Sales Tax revenue is anticipated to increase by 13% from the prior year's receipts. One of the contributing factors to the increase is that the City will collect a full year worth of sales tax according to a Revenue Participation Agreement for the first time. Additionally, more businesses will gradually return to normal operations and lead to sales recovery. One negative factor to the sales tax is the pending sale of Tanforan Mall. At this time, staff is not able to accurately assess the potential impact of the pending sale. Therefore, the sales tax projection for FY 2021-22 will be updated when more information becomes available.
- 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. COVID-19 will continue to have an impact on hotel operators in San Bruno and across the state. Occupancy declined more than 75% during the pandemic. Significant business travel reductions will have long-lasting implications for TOT revenue for years to come. Staff are projecting a recovery of 82% in TOT revenue in FY2021-22 to \$1.7 million for the year. However, compared with pre-COVID era, TOT will be significantly lower for some time.
- Business license tax is an annual tax based on prior year gross receipts. The pandemic devastated many sectors of San Bruno's business community and in most cases gross receipts are flat.
- Departmental Revenue - Total departmental revenues are projected to increase by 37% compared to the FY2020-21 budget. Almost 77% of departmental revenues for FY 2021-22 will be from the Police Department and the Building Division of the Community and Economic Development Department (CED). Police Department collects traffic and parking violation fines. The Building Division in CED expects more permit applications after delays caused by the pandemic, resulting in higher permit fee revenues. The City Council approved user fee increases effective September 1, 2021 and the increases are included in the FY 2021-22 departmental revenues forecast.

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 at approximately 45% of total General Fund expenditures. The total budget for regular, part-time, and overtime salaries across all General Fund departments is \$23 million.
- PERS Retirement - Employee retirement benefits total \$9.5 million, or 18.6% of the General Fund expenditures. This amount represents an increase of approximately \$600,000 compared to the FY2020-21 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 \$4.8 million in FY2021-22. The Trust notifies the City of the projected premium increase at the end of each calendar year.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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 careful 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 FY2021-22. To lessen the financial burden on residents in the era of COVID-19, the City Council decided not to increase water and wastewater rate in FY 2021-22.
- 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 (NPDES). Stormwater fees are collected through the County property tax, and a minimum of \$46.16 per assessor parcel number (APN) 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/repair the aging stormwater system. 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 voters overwhelmingly and the City is exploring alternative options to address much needed stormwater system improvements.
- CityNet Fund – CityNet made great strides in FY2020-21 to control expenses and focus on higher margin business. The spread of Coronavirus caused some customers to fall behind on their payments and CityNet downgraded customers who could not bring their accounts up to date to lower rate subscriptions. In the long-range financial forecast, the negative fund balance is expected to grow to \$14.9 million in FY2022-23 and decrease gradually in the years after. CityNet is positioned to stabilize operations, implement technological improvements to serve existing customers and attract new customers, and become fiscally solvent in the coming years.

Capital Improvement Program and Debt Service

- The FY2021-22 Capital Improvement Program identifies more than 100 funded and underfunded projects/programs organized in 9 categories. \$238.2 million in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. \$142.4 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.

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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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

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CITY OF SAN BRUNO
Statement of Net Position
June 30, 2021
(with comparative totals for June 30, 2020)

	Governmental	Business-Type	Totals	
	Activities	Activities	2021	2020
ASSETS				
Current assets:				
Cash and investments	\$49,935,896	\$83,336,857	\$133,272,753	\$106,608,703
Cash and investments with fiscal agent	141,620	4,123,199	4,264,819	15,862,006
Receivables (net):				
Taxes	6,437,389	9,544	6,446,933	1,865,429
Accounts	34,682	6,022,163	6,056,845	5,520,465
Interest	139,501		139,501	296,236
Loans	775,862		775,862	791,087
Other	2,331,907		2,331,907	3,587,957
Internal balances	12,970,817	(12,970,817)		
Total current assets	<u>72,767,674</u>	<u>80,520,946</u>	<u>153,288,620</u>	<u>134,531,883</u>
Noncurrent assets:				
Capital assets not being depreciated:				
Land	4,649,235	576,842	5,226,077	5,226,077
Construction in progress	7,964,654	12,334,468	20,299,122	18,257,818
Capital assets net of accumulated depreciation:				
Buildings and improvements	6,897,115	72,854,125	79,751,240	75,886,599
Machinery, improvements and equipment	4,741,554	7,110,717	11,852,271	13,601,042
Infrastructure	45,291,885		45,291,885	47,702,507
Sewer plant		12,170,648	12,170,648	11,845,873
Total capital assets (net)	<u>69,544,443</u>	<u>105,046,800</u>	<u>174,591,243</u>	<u>172,519,916</u>
Total noncurrent assets	<u>69,544,443</u>	<u>105,046,800</u>	<u>174,591,243</u>	<u>172,519,916</u>
Total assets	<u>142,312,117</u>	<u>185,567,746</u>	<u>327,879,863</u>	<u>307,051,799</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on pensions	16,656,156	2,182,625	18,838,781	16,974,376
Deferred amount on refunding		88,339	88,339	95,701
Total deferred outflows of resources	<u>16,656,156</u>	<u>2,270,964</u>	<u>18,927,120</u>	<u>17,070,077</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	5,830,939	2,782,167	8,613,106	11,226,566
Interest payable	41,966	864,468	906,434	947,393
Deposits payable	6,997,390		6,997,390	
Unearned revenue	870,468	695,807	1,566,275	1,691,533
Compensated absences - current	504,314	102,661	606,975	554,293
Long-term debt - current	1,337,633	2,122,235	3,459,868	3,446,776
Claims payable - current	1,072,204		1,072,204	1,126,626
Total current liabilities	<u>16,654,914</u>	<u>6,567,338</u>	<u>23,222,252</u>	<u>18,993,187</u>
Noncurrent liabilities:				
Compensated absences - non-current	2,365,713	479,140	2,844,853	2,627,712
Long-term debt - non-current	5,481,500	44,212,303	49,693,803	53,153,671
Claims payable - non-current	4,339,796		4,339,796	3,809,374
Net pension liability	86,243,730	16,235,611	102,479,341	94,844,735
Total noncurrent liabilities	<u>98,430,739</u>	<u>60,927,054</u>	<u>159,357,793</u>	<u>154,435,492</u>
Total liabilities	<u>115,085,653</u>	<u>67,494,392</u>	<u>182,580,045</u>	<u>173,428,679</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount on pensions	2,389,141		2,389,141	3,767,693
Total deferred inflows of resources	<u>2,389,141</u>		<u>2,389,141</u>	<u>3,767,693</u>
NET POSITION				
Net investment in capital assets	68,788,202	58,800,601	127,588,803	123,059,245
Restricted for:				
Capital projects	7,615,283	4,123,199	11,738,482	18,710,882
Debt service	5		5	1
Measure A	1,106,230		1,106,230	2,486,151
Community services	14,060,970		14,060,970	16,625,932
Unrestricted	(50,077,211)	57,420,518	7,343,307	(13,956,707)
Total net position	<u>\$41,493,479</u>	<u>\$120,344,318</u>	<u>\$161,837,797</u>	<u>\$146,925,504</u>

See accompanying notes to financial statements

CITY OF SAN BRUNO

Statement of Activities

For the year ended June 30, 2021

(with comparative totals for the year ended June 30, 2020)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$8,441,787	\$4,735,876	\$1,035,143	\$5,124,695
Public safety	32,515,036	2,134,812	1,106,273	
Public works	3,131,204	708,024	100,561	
Streets	4,081,082	17,900	95,766	689,796
Parks and recreation	4,814,770	283,124	418,615	1,993,985
Library	2,298,623	772	49,081	
Community and economic development	2,652,300	2,704,804	217,361	
Interest expense	324,944			
Total governmental activities	58,259,746	10,585,312	3,022,800	7,808,476
Business-type activities:				
Water	12,697,845	17,777,900		
Stormwater	1,375,960	655,608		
Wastewater	12,879,291	18,470,837		
Cable television	9,927,716	9,017,048		
Total business-type activities	36,880,812	45,921,393		
Total primary government	\$95,140,558	\$56,506,705	\$3,022,800	\$7,808,476

General revenues:

Taxes:

 Property taxes, levied for general purposes

 Transient occupancy tax

 Franchise tax

 Sales tax, including subvention

 Cardroom taxes

 Other taxes

Intergovernmental, unrestricted:

 State motor vehicle in-lieu tax, including subvention

 State highway user tax

Use of money and property

Transfers

 Total general revenues and transfers

Change in net position

Net position - Beginning

Net position - Ending

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2021	2020
\$2,453,927		\$2,453,927	(\$5,332,033)
(29,273,951)		(29,273,951)	(28,876,454)
(2,322,619)		(2,322,619)	(1,040,804)
(3,277,620)		(3,277,620)	(2,859,607)
(2,119,046)		(2,119,046)	(1,201,699)
(2,248,770)		(2,248,770)	(2,379,085)
269,865		269,865	3,174,796
(324,944)		(324,944)	(373,262)
(36,843,158)		(36,843,158)	(38,888,148)
	\$5,080,055	5,080,055	4,799,533
	(720,352)	(720,352)	(1,636,583)
	5,591,546	5,591,546	5,304,927
	(910,668)	(910,668)	(1,749,522)
	9,040,581	9,040,581	6,718,355
(36,843,158)	9,040,581	(27,802,577)	(32,169,793)
12,618,447		12,618,447	12,212,891
1,247,467		1,247,467	2,617,524
1,798,673		1,798,673	1,861,256
17,780,042		17,780,042	9,281,920
2,035,009		2,035,009	1,974,980
2,045,462		2,045,462	1,972,392
3,180,581		3,180,581	5,013,326
1,852,026		1,852,026	1,844,231
(341,249)	498,412	157,163	3,543,973
(201,358)	201,358		
42,015,100	699,770	42,714,870	40,322,493
5,171,942	9,740,351	14,912,293	8,152,700
36,321,537	110,603,967	146,925,504	138,772,804
\$41,493,479	\$120,344,318	\$161,837,797	\$146,925,504

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FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Supplemental section.

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.

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.

CITY OF SAN BRUNO
Balance Sheet
Governmental Funds
June 30, 2021
(with comparative totals for June 30, 2020)

	General Fund	Street Improvement Capital Projects Fund	Non Major Governmental Funds	Totals	
				2021	2020
ASSETS					
Cash and investments	\$21,888,196	\$4,683,864	\$20,770,396	\$47,342,456	\$35,623,423
Cash and investments with fiscal agent	50,496		5	50,501	50,497
Receivables:					
Taxes	6,161,557		275,832	6,437,389	1,865,429
Interest	137,168		2,333	139,501	296,236
Loans	775,862			775,862	791,087
Other	1,407,317	313,214	611,376	2,331,907	3,587,957
Due from other funds	27,135			27,135	
Advances to other funds	14,415,651			14,415,651	14,092,938
Total assets	\$44,863,382	\$4,997,078	\$21,659,942	\$71,520,402	\$56,307,567
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$5,117,831		\$277,523	\$5,395,354	\$5,902,650
Due to other funds			27,135	27,135	
Deposits payable	3,504,872		3,492,518	6,997,390	
Unearned revenue	859,418		11,050	870,468	937,518
Total liabilities	9,482,121		3,808,226	13,290,347	6,840,168
Deferred Inflows of Resources:					
Unavailable revenue			83,234	83,234	
Total deferred inflows of resources			83,234	83,234	
Fund balances:					
Nonspendable	14,415,651			14,415,651	13,600,209
Restricted		\$4,997,078	17,785,410	22,782,488	22,102,576
Committed					21,109,020
Assigned	30,408,528			30,408,528	611,383
Unassigned	(9,442,918)		(16,928)	(9,459,846)	(7,955,789)
Total fund balances	35,381,261	4,997,078	17,768,482	58,146,821	49,467,399
Total liabilities, deferred inflows of resources and fund balances	\$44,863,382	\$4,997,078	\$21,659,942	\$71,520,402	\$56,307,567

See accompanying notes to financial statements

CITY OF SAN BRUNO
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
at June 30, 2021

Total fund balances - total governmental funds \$58,146,821

Amounts reported for governmental activities in the Statement of Net Position
are different because:

CAPITAL ASSETS

Capital assets used in governmental activities are not
current financial resources and therefore are not reported in
the governmental funds balance sheet. 69,539,138

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal Services funds are 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 are:

Cash and investments	2,593,440
Cash and investments with trustee	91,119
Accounts receivable	34,682
Capital Assets	5,305
Accounts payable	(435,585)
Liability for claims	(5,412,000)
Compensated absences	(82,317)
Net amount allocated to business-type activities	(1,444,834)

LONG-TERM ASSETS AND LIABILITIES

The asset and liabilities below are not due and payable in the current
period and therefore are not reported in the Funds:

Pension obligation bonds	(6,062,892)
Leases payable	(756,241)
Accrued interest payable	(41,966)
Unavailable revenue	83,234
Compensated absences	(2,787,710)
Net pension liability	(86,243,730)
Deferred outflows of resources related to pensions	16,656,156
Deferred inflows of resources related to pensions	(2,389,141)

Net position of governmental activities	\$41,493,479
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See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	General Fund	Street Improvement	Non Major	Totals	
		Capital Projects Fund	Governmental Funds	2021	2020
REVENUES:					
Taxes	\$34,081,291		\$3,315,905	\$37,397,196	\$29,841,240
Licenses and permits	4,914,700		220,832	5,135,532	3,850,848
Intergovernmental	4,755,748	\$689,796	709,074	6,154,618	6,809,578
Charges for services	2,093,216			2,093,216	2,918,239
Fines and forfeitures	722,685		101,781	824,466	1,115,456
Use of money and property	(347,948)		97,912	(250,036)	2,349,974
Other revenues	9,964,869		2,229,951	12,194,820	12,481,391
Total revenues	56,184,561	689,796	6,675,455	63,549,812	59,366,726
EXPENDITURES:					
Current:					
General government	7,012,591		42,464	7,055,055	6,526,050
Public safety	28,143,174		539,122	28,682,296	27,536,184
Public works	1,540,457			1,540,457	1,447,402
Streets	1,570,931		73,236	1,644,167	1,928,545
Parks and recreation	4,645,159		193,349	4,838,508	5,844,760
Library	1,930,827		26,706	1,957,533	2,105,201
Community and economic development	2,516,995		132,793	2,649,788	3,043,416
Capital outlay	800,041	1,533,565	2,164,396	4,498,002	6,172,424
Debt service:					
Principal			1,398,135	1,398,135	1,358,246
Interest and fiscal charges			315,091	315,091	356,404
Total expenditures	48,160,175	1,533,565	4,885,292	54,579,032	56,318,632
REVENUES OVER (UNDER)					
EXPENDITURES	8,024,386	(843,769)	1,790,163	8,970,780	3,048,094
OTHER FINANCING SOURCES (USES):					
Transfers in	3,138,051	5,011,006	4,021,725	12,170,782	10,231,738
Transfers out	(3,145,999)	(865,287)	(8,450,854)	(12,462,140)	(11,501,441)
Total other financing sources (uses)	(7,948)	4,145,719	(4,429,129)	(291,358)	(1,269,703)
Net change in fund balances	8,016,438	3,301,950	(2,638,966)	8,679,422	1,778,391
FUND BALANCES:					
Beginning of year	27,364,823	1,695,128	20,407,448	49,467,399	47,689,008
End of year	\$35,381,261	\$4,997,078	\$17,768,482	\$58,146,821	\$49,467,399

See accompanying notes to financial statements

CITY OF SAN BRUNO
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2021

Net change in fund balances- total governmental funds \$8,679,422

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

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay asset addition expenditures are therefore added back to fund balance	4,498,002
Amounts charged to Public Works	(1,571,739)
Retirements are deducted from fund balance	(28,991)
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of \$3,979 which has already been allocated to internal service funds.)	(3,869,710)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Capital lease obligation principal payments	493,135
Pension obligation bond principal payments	905,000
Amortization of premium on long-term debt	(19,518)

ACCRUAL OF NON-CURRENT ITEMS

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

Interest payable	9,665
Unavailable revenue	83,234
Compensated absences	(155,767)
Net pension liability, deferred inflows and deferred outflows	(4,039,873)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - All Internal Service Funds	189,082
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$5,171,942
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See accompanying notes to financial statements

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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 in fiscal year 2021.

WATER

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, 2021
(with comparative totals for June 30, 2020)

ASSETS	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
Current assets:			
Cash and investments	\$41,826,760	\$719,837	\$40,790,260
Cash and investments with fiscal agent/trustee	1,094,662		3,028,537
Receivables (net):			
Taxes		9,544	
Accounts	2,787,126	6,600	2,279,792
Total current assets	45,708,548	735,981	46,098,589
Noncurrent assets:			
Non-depreciable capital assets	6,411,059	490,059	5,510,192
Depreciable capital assets	31,132,007	4,466,052	54,943,287
Total noncurrent assets	37,543,066	4,956,111	60,453,479
Total assets	83,251,614	5,692,092	106,552,068
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on pension	697,255	94,209	628,281
Deferred amount on refunding			88,339
Total deferred outflows of resources	697,255	94,209	716,620
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	868,080	30,710	1,251,023
Interest payable	230,825		633,643
Unearned revenue			
Compensated absences - current	21,293	6,167	18,969
Liability for claims - current			
Long term debt - due within one year	261,555		1,860,680
Total current liabilities	1,381,753	36,877	3,764,315
Noncurrent liabilities:			
Advances from other funds			
Interfund balances			
Compensated absences - noncurrent	121,271	47,930	100,089
Long term debt - due in more than one year	11,930,425		32,281,878
Liability for claims - non-current			
Net pension liability	5,186,581	700,782	4,673,513
Total noncurrent liabilities	17,238,277	748,712	37,055,480
Total liabilities	18,620,030	785,589	40,819,795
DEFERRED INFLOW OF RESOURCES			
Deferred amount on pension			
Total deferred inflows of resources			
Net Position			
Net investment in capital assets	25,351,086	4,956,111	26,399,260
Restricted for capital projects	1,094,662		3,028,537
Unrestricted (deficit)	38,883,091	44,601	37,021,096
Total net position	\$65,328,839	\$5,000,712	\$66,448,893
Reconciliation to government-wide statement of net position:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$810,899	\$84,367	(\$225,117)
Net position of business-type activities	\$66,139,738	\$5,085,079	\$66,223,776

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
CityNet	Totals		Totals	
	2021	2020	2021	2020
	\$83,336,857	\$69,100,227	\$2,593,440	\$1,885,053
	4,123,199	15,720,390	91,119	91,119
	9,544			
\$948,645	6,022,163	5,520,232	34,682	233
<u>948,645</u>	<u>93,491,763</u>	<u>90,340,849</u>	<u>2,719,241</u>	<u>1,976,405</u>
500,000	12,911,310	13,404,690		
1,594,144	92,135,490	88,594,366	5,305	9,284
<u>2,094,144</u>	<u>105,046,800</u>	<u>101,999,056</u>	<u>5,305</u>	<u>9,284</u>
<u>3,042,789</u>	<u>198,538,563</u>	<u>192,339,905</u>	<u>2,724,546</u>	<u>1,985,689</u>
762,880	2,182,625	1,811,589		
	88,339	95,701		
<u>762,880</u>	<u>2,270,964</u>	<u>1,907,290</u>		
632,354	2,782,167	4,955,621	435,585	368,295
	864,468	895,762		
695,807	695,807	754,015		
56,232	102,661	86,014	21,275	16,439
			1,072,204	1,126,626
	2,122,235	2,068,160		
<u>1,384,393</u>	<u>6,567,338</u>	<u>8,759,572</u>	<u>1,529,064</u>	<u>1,511,360</u>
14,415,651	14,415,651	492,729		
		13,600,209		
209,850	479,140	401,681	61,042	45,928
	44,212,303	46,334,537		
			4,339,796	3,809,374
<u>5,674,735</u>	<u>16,235,611</u>	<u>15,225,609</u>		
<u>20,300,236</u>	<u>75,342,705</u>	<u>76,054,765</u>	<u>4,400,838</u>	<u>3,855,302</u>
<u>21,684,629</u>	<u>81,910,043</u>	<u>84,814,337</u>	<u>5,929,902</u>	<u>5,366,662</u>
		287,190		
		287,190		
2,094,144	58,800,601	53,692,060	5,305	9,284
	4,123,199	15,720,390		
<u>(19,973,104)</u>	<u>55,975,684</u>	<u>39,733,218</u>	<u>(3,210,661)</u>	<u>(3,390,257)</u>
<u>(\$17,878,960)</u>	<u>\$118,899,484</u>	<u>\$109,145,668</u>	<u>(\$3,205,356)</u>	<u>(\$3,380,973)</u>
\$774,685	\$1,444,834	\$1,458,299		
<u>(\$17,104,275)</u>	<u>\$120,344,318</u>	<u>\$110,603,967</u>		

CITY OF SAN BRUNO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$17,602,299		
Sewer service charges			\$18,298,857
Cable television charges			
Other service charges	175,601	\$561,761	171,980
Other operating revenue		93,847	
Total operating revenues	<u>17,777,900</u>	<u>655,608</u>	<u>18,470,837</u>
OPERATING EXPENSES:			
Water supply	10,443,967		
Distribution		1,145,558	
Treatment			8,990,002
Cable operations			
Central garage			
Insurance expenses			
Technology support			
Facilities maintenance			
Depreciation and amortization	1,827,153	225,857	2,689,597
Total operating expenses	<u>12,271,120</u>	<u>1,371,415</u>	<u>11,679,599</u>
OPERATING INCOME (LOSS)	<u>5,506,780</u>	<u>(715,807)</u>	<u>6,791,238</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	253,539	5,305	239,568
Interest and debt service expenses	(424,520)		(1,196,837)
Total non-operating revenues (expenses), net	<u>(170,981)</u>	<u>5,305</u>	<u>(957,269)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,335,799	(710,502)	5,833,969
Transfers in	25,000	450,000	25,000
Transfers out		(298,642)	
CHANGE IN NET POSITION	5,360,799	(559,144)	5,858,969
NET POSITION:			
Beginning of year	59,968,040	5,559,856	60,589,924
End of year	<u>\$65,328,839</u>	<u>\$5,000,712</u>	<u>\$66,448,893</u>
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(\$2,205)	(\$4,545)	(\$2,855)
Change in net position of business-type activities - End of year	<u>\$5,358,594</u>	<u>(\$563,689)</u>	<u>\$5,856,114</u>

See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided			
Cash receipts from customers	\$17,298,827	\$655,608	\$18,491,853
Cash payments to suppliers for goods and services	(12,290,429)	(1,280,271)	(9,340,503)
Cash (payments) receipts to employees for services	112,527	39,775	122,891
Net cash provided by (used by) operating activities	5,120,925	(584,888)	9,274,241
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments to other funds			
Transfers received from other funds	25,000	450,000	25,000
Transfers paid to other funds		(298,642)	
Net cash provided by noncapital financing activities	25,000	151,358	25,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from bond issue			
Acquisition and construction of capital assets	(3,971,131)	(76,723)	(4,150,862)
Principal payments on long-term debt	(215,000)		(1,706,195)
Interest paid on long-term debt	(427,745)		(1,322,952)
Net cash (used) by capital and related financing activities	(4,613,876)	(76,723)	(7,180,009)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (expense)	253,539	5,305	239,567
Net cash provided by investing activities	253,539	5,305	239,567
Net increase (decrease) in cash and cash equivalents	785,588	(504,948)	2,358,799
CASH AND CASH EQUIVALENTS:			
Beginning of year	42,135,834	1,224,785	41,459,998
End of year	<u>\$42,921,422</u>	<u>\$719,837</u>	<u>\$43,818,797</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Cash and investments	\$41,826,760	\$719,837	\$40,790,260
Cash and investments held by trustees	1,094,662		3,028,537
Total Cash and Cash Equivalents, End of Year	<u>\$42,921,422</u>	<u>\$719,837</u>	<u>\$43,818,797</u>
Reconciliation of income (loss) from operations to net cash provided by (used for) operating activities:			
Operating income (loss)	\$5,465,225	(\$715,807)	\$6,791,238
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,827,153	225,857	2,689,597
(Increase) decrease in current assets:			
Taxes receivable		(9,544)	
Accounts receivable	(479,073)		21,016
Due from other funds			
(Increase) decrease in deferred outflows of resources	(118,530)	(16,015)	(106,805)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(1,804,907)	(125,169)	(350,501)
Due to other funds			
Unearned revenue			
Compensated absences	150	24,591	21,630
Net Pension liability	322,652	43,595	290,735
Increase (decrease) in claims liability - noncurrent			
Increase (decrease) in deferred inflows of resources	(91,745)	(12,396)	(82,669)
Net cash provided by (used for) operating activities	\$5,120,925	(\$584,888)	\$9,274,241
NON-CASH ACTIVITIES			
Amortization of bond premiums	\$41,555		\$105,409
Amortization of deferred amount of refunding			(7,362)
Total non-cash activities	<u>\$41,555</u>		<u>\$98,047</u>

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
CityNet	Totals		Totals	
	2021	2020	2021	2020
(\$13,600,209)	(\$13,600,209)	\$972,259	\$6,258,363	\$5,473,374
8,914,966	45,361,254	44,966,360		
(9,406,185)	(32,317,388)	(31,833,010)	(5,639,976)	(5,638,824)
170,689	445,882	1,027,071		
(13,920,739)	(110,461)	15,132,680	618,387	(165,450)
13,922,922	13,922,922	(167,207)		
	500,000	1,319,703		
	(298,642)	(50,000)	90,000	
13,922,922	14,124,280	1,102,496	90,000	
	(8,198,716)	(14,319,192)		
	(1,921,195)	(1,991,809)		
	(1,750,697)	(1,719,708)		
	(11,870,608)	(18,030,709)		
(2,183)	496,228	1,410,591		
(2,183)	496,228	1,410,591		
	2,639,439	(384,942)	708,387	(165,450)
	84,820,617	85,205,559	1,976,172	2,141,622
	<u>\$87,460,056</u>	<u>\$84,820,617</u>	<u>\$2,684,559</u>	<u>\$1,976,172</u>
	\$83,336,857	\$69,100,227	\$2,593,440	\$1,885,053
	4,123,199	15,720,390	91,119	91,119
	<u>\$87,460,056</u>	<u>\$84,820,617</u>	<u>\$2,684,559</u>	<u>\$1,976,172</u>
(\$904,625)	\$10,636,031	\$8,824,048	\$85,617	(\$820,101)
408,365	5,150,972	5,593,868	3,979	3,979
	(9,544)		(34,682)	
(43,874)	(501,931)	(164,961)	233	(233)
(129,686)	(371,036)	163,245		
107,123	(2,173,454)	(1,129,101)	67,290	151,092
(13,600,209)	(13,600,209)	972,259		
(58,208)	(58,208)	9,496		
47,735	94,106	86,412	19,950	(24,187)
353,020	1,010,002	805,372		
			476,000	524,000
(100,380)	(287,190)	(27,958)		
<u>(\$13,920,739)</u>	<u>(\$110,461)</u>	<u>\$15,132,680</u>	<u>\$618,387</u>	<u>(\$165,450)</u>

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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 Net Position
Fiduciary Funds
June 30, 2021
(with comparative totals for June 30, 2020)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2021	2020	2021	2020
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ASSETS				
Cash and investments	\$2,207,987	\$1,807,935	\$531,720	\$457,248
Cash and investments with fiscal agent/trustee	5			
Accounts receivable			790,645	618,845
Total assets	<u>\$2,207,992</u>	<u>\$1,807,935</u>	<u>\$1,322,365</u>	<u>\$1,076,093</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding	44,573	\$44,573		
Total deferred outflows of resources	<u>44,573</u>	<u>44,573</u>		
LIABILITIES				
Accounts payable	\$197,595	\$194,226	\$1,320,570	\$1,073,670
Interest payable	28,608	30,775		
Other liabilities			1,795	2,423
Bonds Payable - due in one year	392,422	377,422		
Bonds Payable - due in more than one year	4,186,798	4,579,220		
Total liabilities	<u>\$4,805,423</u>	<u>\$5,181,643</u>	<u>\$1,322,365</u>	<u>\$1,076,093</u>
NET POSITION				
Restricted net position held in trust	<u>(\$2,552,858)</u>	<u>(\$3,329,135)</u>		

See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021
(with comparative totals for June 30, 2020)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2021	2020	2021	2020
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ADDITIONS				
Administration allowance	\$23,861	\$19,124		
Taxes	1,099,226	680,258		
Charges for services			\$8,577,163	\$8,620,463
Other revenues	5	113		
TOTAL ADDITIONS	<u>1,123,092</u>	<u>699,495</u>	<u>8,577,163</u>	<u>8,620,463</u>
DEDUCTIONS				
Community development	216,754	236,389		
Franchise fees to City			866,069	861,467
AB939 fees to City			86,607	86,147
Remittances to Recology			7,624,487	7,672,849
Interest and fiscal charges	130,061	156,432		
TOTAL DEDUCTIONS	<u>346,815</u>	<u>392,821</u>	<u>8,577,163</u>	<u>8,620,463</u>
CHANGES IN NET POSITION	776,277	306,974		
NET POSITION - Beginning of the year	<u>(3,329,135)</u>	<u>(3,636,109)</u>		
NET POSITION - End of the year	<u><u>(\$2,552,858)</u></u>	<u><u>(\$3,329,135)</u></u>		

See accompanying notes to financial statements

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CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Related Organization

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.

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.

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

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Governmental 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.

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

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.

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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.
- 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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 agency 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 fund 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 non-operating expenses.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity

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.

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.

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.

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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, capital leases, 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 revenue 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.

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
Beginning Balance	\$2,694,310	\$487,695	\$3,182,005
Additions	650,707	131,514	782,221
Payments	(474,990)	(37,408)	(512,398)
Ending Balance	\$2,870,027	\$581,801	\$3,451,828
Current Portion	\$504,314	\$102,661	\$606,975

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 THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position or fund balance 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 position or fund balance 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

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 at 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.

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

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

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

Budgetary Policies

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. 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.
3. 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).
4. 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, 2021 based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
5. Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. 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.
7. 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.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

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.

Fund Reclassification

In January 2017, GASB issued GASB Statement No. 84, *Fiduciary Activities*. 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 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of this Statement were implemented during fiscal year 2021. As part of the implementation of this Statement, it was determined that the Recology San Bruno Fund, previously reported as an Agency Fund, be accounted for and reported as a Custodial Fund.

Closed Fund

The Project Development Fund, previously reported as an Agency Fund, was closed as of June 30, 2021.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 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.

Cash and investments as of June 30, 2021, consist of the following:

<i>Statement of Net Position</i>	Amount
Cash and investments	\$133,272,753
Restricted cash and investments held by fiscal agents	4,264,819
Total cash and investments in primary government	137,537,572
<i>Statements of Fiduciary Net Position</i>	
Cash and investments:	
Private Purpose Trust Funds	2,207,987
Custodial Funds	531,720
Restricted cash and investments held by fiscal agents	5
Total cash and investments in fiduciary	2,739,712
Total cash and investments	\$140,277,284

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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 2021, 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 obligations	5 years	None	None	None
U.S. Agency securities	5 years	None	None	None
Non-negotiable certificates of deposit	1 years	None	15%	None
LAIF	N/A	None	24%	None
Local government investment pools	N/A	None	38%	None

During the year ended June 30, 2021, the City's permissible investments for debt service fiscal agents included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Non-negotiable certificates of deposit	1 years	None	None
LAIF	N/A	None	None
Bankers acceptances	1 year	P1/A1	None
Local government securities	None	Highest	None
Commercial paper	None	P1	None
Investment agreements	None	None	None
Certificates of deposits, savings account, and Deposit accounts	None	None	None
Money market accounts	None	Aaa, Aa1	None
Municipal Bonds	None	A	None

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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 - CASH AND INVESTMENTS (Continued)

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	25 to 60 Months	Total
U.S. Treasuries & Agencies		\$35,838,731	\$35,838,731
Municipal Bonds		4,585,635	4,585,635
Local Agency Investment Fund	\$54,890,121		54,890,121
San Mateo County Investment Pool	27,563,003		27,563,003
Certificate of Deposit		526,351	526,351
Money Market Funds	5,214,579		5,214,579
Subtotal Investments	\$87,667,703	\$40,950,717	128,618,420
Cash in bank and on hand			11,658,864
Total Cash and Investments			\$140,277,284

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are U.S. Treasuries, Federal Agency obligations, time deposits, negotiable certificates of deposits, commercial paper, corporate bonds, and security loans. At June 30, 2021, these investments had a weighted average maturity of 291 days.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 1.0037. 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.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2021:

<i>Investments by Fair Value Level:</i>	Level 2	Total
U.S. Treasuries & Agencies	\$35,838,731	\$35,838,731
Municipal Bonds	4,585,635	4,585,635
Certificate of Deposit	526,351	526,351
Money Market Mutual Fund	5,214,579	5,214,579
Totals	<u>\$526,351</u>	<u>46,165,296</u>
<i>Investments Measured at Amortized Cost:</i>		
Local Agency Investment Fund (LAIF)		54,890,121
San Mateo County Investment Pool		27,563,003
Totals		<u>82,453,124</u>
Total Investments		<u>\$128,618,420</u>

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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 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, 2021, for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa/Aaa-mf	Aa2	Total
U.S. Treasuries & Agencies	\$35,838,731		\$35,838,731
Municipal Bonds	1,985,880	\$2,599,755	4,585,635
Money Market Funds	5,214,579		5,214,579
Totals	\$43,039,190	\$2,599,755	45,638,945
Not Rated:			
Certificate of Deposit			526,351
Local Agency Investment Fund (LAIF)			54,890,121
San Mateo County Investment Pool			27,563,003
Total Investments			\$128,618,420

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - INTERFUND TRANSACTIONS

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, 2021, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Non-Major Governmental Funds	\$2,739,409 (A) & (B)
	Street Improvement Capital Projects Fund	100,000 (B)
	Stormwater Enterprise Fund	298,642 (B)
Street Improvement Capital Projects Fund	General Fund	200,450 (C)
	Non-Major Governmental Funds	4,810,556 (C)
Water Enterprise Fund	Non-Major Governmental Funds	25,000 (B)
Stormwater Enterprise Fund	General Fund	450,000 (C)
Wastewater Enterprise Fund	Non-Major Governmental Funds	25,000 (B)
Non-Major Governmental Funds	General Fund	2,405,549 (C) & (D)
	Street Improvement Capital Projects Fund	765,287 (B)
	Non-Major Governmental Funds	850,889 (B) & (C)
Facilities Maintenance Internal Service Fund	General Fund	<u>90,000 (A)</u>
Total Interfund Transfers		<u>\$12,760,782</u>

- (A) Augment various City Services
- (B) Defund capital projects
- (C) Capital project funding
- (D) Fund debt service expenditure

B. Interfund Balances

Interfund balances arise in the normal course of business. Amounts due to or due from other funds reflect interfund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. At June 30, 2021, interfund balances comprised the following:

Due To Other Funds	Due From Other Funds	Amount
General Fund	Federal State Grant Special Revenue Fund	27,135

C. Interfund Advances

Fund Receiving Advance	Fund Making Advance	Amount of Advance
CityNet Services Enterprise Fund	General Fund	\$14,415,651

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 .525% annual interest rate for seven years. At June 30, 2021, the balance of the advance was \$324,643. 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, 2021, the cash balance due to the General Fund was \$14,091,008.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 4 - CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets as of June 30, 2021 comprise:

	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$4,649,235				\$4,649,235
Construction in progress	5,429,970	\$2,534,684			7,964,654
Total capital assets not being depreciated	10,079,205	2,534,684			12,613,889
Capital assets being depreciated:					
Buildings and improvements	16,603,403				16,603,403
Machinery, improvements and equipment	17,198,512	391,579	(\$111,782)	\$24,975	17,503,284
Infrastructure	99,188,781				99,188,781
Total capital assets being depreciated	132,990,696	391,579	(111,782)	24,975	133,295,468
Less accumulated depreciation for:					
Buildings and improvements	9,191,237	515,051			9,706,288
Machinery, improvements and equipment	11,871,530	948,016	(82,791)	24,975	12,761,730
Infrastructure	51,486,274	2,410,622			53,896,896
Total accumulated depreciation	72,549,041	3,873,689	(82,791)	24,975	76,364,914
Net governmental-type activities					
Capital assets being depreciated	60,441,655	(3,482,110)	(28,991)		56,930,554
Governmental activity capital assets, net	\$70,520,860	(\$947,426)	(\$28,991)		\$69,544,443

	Balance July 1, 2020	Additions	Transfers	Balance June 30, 2021
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$576,842			\$576,842
Construction in progress	12,827,848	\$6,813,865	(\$7,307,245)	12,334,468
Total capital assets not being depreciated	13,404,690	6,813,865	(7,307,245)	12,911,310
Capital assets being depreciated:				
Buildings and improvements	95,953,796	59,115	7,307,245	103,320,156
Machinery, improvements and equipment	33,466,120		24,975	33,491,095
Sewer plant	27,942,170	1,325,736		29,267,906
Total capital assets being depreciated	157,362,086	1,384,851	7,332,220	166,079,157
Less accumulated depreciation for:				
Buildings and improvements	27,479,363	2,986,668		30,466,031
Machinery, improvements and equipment	25,192,060	1,163,343	24,975	26,380,378
Sewer plant	16,096,297	1,000,961		17,097,258
Total accumulated depreciation	68,767,720	5,150,972	24,975	73,943,667
Net capital assets being depreciated	88,594,366	(3,766,121)	7,307,245	92,135,490
Business-type activity capital assets, net	\$101,999,056	\$3,047,744		\$105,046,800

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - CAPITAL ASSETS (Continued)

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	\$549,468
Public safety	502,252
Public works	28,735
Streets	2,393,270
Parks and recreation	370,873
Library	14,680
Community and economic development	10,432
Internal service funds	3,979
Total	<u>\$3,873,689</u>
Business-Type Activities	Amount
Water	\$1,827,153
Stormwater	225,857
Wastewater	1,688,636
SSF Sewer Plant	1,000,961
CityNet	408,365
Total	<u>\$5,150,972</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 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.

The City's Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	Balance June 30, 2020	Retirements	Balance June 30, 2021	Amount due within one year
Governmental Activity - Bonds:				
2013 Pension Obligation Bond	\$7,085,000	(\$905,000)	\$6,180,000	\$940,000
Discount on Pension Obligation Bond	(136,626)	19,518	(117,108)	(19,518)
Total Governmental Activities - Bonds	<u>6,948,374</u>	<u>(885,482)</u>	<u>6,062,892</u>	<u>920,482</u>
Governmental Activity - Direct Borrowings:				
2017 Capital Lease Obligation	269,032	(178,510)	90,522	90,522
2018 Capital Lease Obligation	980,344	(314,625)	665,719	326,629
Total Governmental Activities - Direct Borrowings	<u>1,249,376</u>	<u>(493,135)</u>	<u>756,241</u>	<u>417,151</u>
Total Governmental Activities	<u><u>\$8,197,750</u></u>	<u><u>(\$1,378,617)</u></u>	<u><u>\$6,819,133</u></u>	<u><u>\$1,337,633</u></u>
	Balance June 30, 2020	Retirements	Balance June 30, 2021	Amount due within one year
Business-Type Activity - Bonds:				
2017 Water Revenue Bond	\$11,285,000	(\$215,000)	\$11,070,000	\$220,000
Premium of Revenue Bond	1,163,534	(41,555)	1,121,979	41,555
2017 Wastewater Revenue Bond	23,785,000	(455,000)	23,330,000	470,000
Premium on Revenue Bond	2,450,949	(87,534)	2,363,415	87,534
2013 Wastewater Refunding Revenue Bond	5,280,000	(310,000)	4,970,000	320,000
Premium on Refunding Bond	232,383	(17,875)	214,508	17,875
Total Business-Type Activities - Bonds	<u>44,196,866</u>	<u>(1,126,964)</u>	<u>43,069,902</u>	<u>1,156,964</u>
Business-Type Activity - Direct Borrowing:				
Due to City of South San Francisco				
1997 Loan	1,680,517	(545,857)	1,134,660	560,050
2007 Loan	2,525,314	(395,338)	2,129,976	405,221
Total Business-Type Activities - Direct Borrowings	<u>4,205,831</u>	<u>(941,195)</u>	<u>3,264,636</u>	<u>965,271</u>
Total Business-Type Activities	<u><u>\$48,402,697</u></u>	<u><u>(\$2,068,159)</u></u>	<u><u>\$46,334,538</u></u>	<u><u>\$2,122,235</u></u>

A. Governmental Activities:

2013 Pension Obligation Bonds

During 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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

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 2020-21, the City made principal and interest payments totaling \$905,000 and \$271,750, respectively. The bonds mature on June 1, 2027.

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

For The Year Ending June 30	2013 Pension Obligation Bonds		
	Principal	Interest	Total
2022	\$940,000	\$240,075	\$1,180,075
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	6,180,000	882,650	7,062,650
Less Discount	(117,108)		(117,108)
Total	<u>\$6,062,892</u>	<u>\$882,650</u>	<u>\$6,945,542</u>

Capital Lease Obligations

During 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 are due semi-annually on April 28 and October 28 with an interest rate of 1.89%. Payments are made out of the debt service fund. During fiscal year 2020-21, the City made principal and interest payments totaling \$178,510 and \$4,245, respectively. The lease purchase agreement was paid in full on October 28, 2021.

The annual debt service requirement on the capital lease obligation is as follows:

For The Year Ending June 30	2017 Capital Lease Obligation		
	Principal	Interest	Total
2022	\$90,522	\$855	\$91,377
Total	<u>\$90,522</u>	<u>\$855</u>	<u>\$91,377</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

During 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 2020-21, the City made principal and interest payments totaling \$314,625 and \$37,401, respectively. The lease-purchase agreement will be paid in full on November 26, 2022.

The annual debt service requirement on the capital lease obligation is as follows:

For The Year Ending June 30	2018 Capital Lease Obligation		
	Principal	Interest	Total
2022	\$326,629	\$25,398	\$352,027
2023	339,090	12,937	352,027
Total	\$665,719	\$38,335	\$704,054

B. Business-Type Activities:

2017 Water Revenue Bonds

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

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 2020-21, the City made principal and interest payments totaling \$215,000 and \$461,650, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year	2017 Water Revenue		
Ending June 30	Principal	Interest	Total
2022	\$220,000	\$452,850	\$672,850
2023	230,000	443,650	673,650
2024	240,000	434,050	674,050
2025	250,000	421,550	671,550
2026	260,000	408,550	668,550
2027-2031	1,525,000	1,821,500	3,346,500
2032-2036	1,930,000	1,405,350	3,335,350
2037-2041	2,315,000	1,012,200	3,327,200
2042-2046	2,815,000	491,200	3,306,200
2047-2048	1,285,000	26,200	1,311,200
Subtotal	11,070,000	6,917,100	17,987,100
Plus Premium:	1,121,979		1,121,979
Total	\$12,191,979	\$6,917,100	\$19,109,079

2017 Wastewater Revenue Bonds

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

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 2020-21, the City made principal and interest payments totaling \$455,000 and \$972,850, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year	2017 Wastewater Revenue		
Ending June 30	Principal	Interest	Total
2022	\$470,000	\$954,050	\$1,424,050
2023	485,000	934,650	1,419,650
2024	505,000	914,450	1,419,450
2025	525,000	888,200	1,413,200
2026	550,000	860,700	1,410,700
2027-2031	3,205,000	3,838,250	7,043,250
2032-2036	4,065,000	2,962,300	7,027,300
2037-2041	4,880,000	2,133,600	7,013,600
2042-2046	5,930,000	1,035,800	6,965,800
2047-2048	2,715,000	55,400	2,770,400
Subtotal	23,330,000	14,577,400	37,907,400
Plus Premium:	2,363,415		2,363,415
Total	\$25,693,415	\$14,577,400	\$40,270,815

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 2020-21, the City made principal and interest payments totaling \$310,000 and \$222,600 respectively. The bonds mature on July 1, 2032.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (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
2022	\$320,000	\$211,800	\$531,800
2023	335,000	196,726	531,726
2024	345,000	179,476	524,476
2025	365,000	161,224	526,224
2026	380,000	142,224	522,224
2027-2031	2,210,000	426,725	2,636,725
2032-2033	1,015,000	23,400	1,038,400
Subtotal	4,970,000	1,341,575	6,311,575
Plus Premium:	214,508		214,508
Total	\$5,184,508	\$1,341,575	\$6,526,083

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 2020-21, the City made principal and interest payments totaling \$941,195, and \$106,826, respectively. The loans will be paid in full on August 1, 2022 and April 30, 2026.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year	1997 Loan South San Francisco		
Ending June 30	Principal	Interest	Total
2022	\$560,050	\$29,501	\$589,551
2023	574,610	14,939	589,549
Total	\$1,134,660	\$44,440	\$1,179,100

For The Year	2007 Loan South San Francisco		
Ending June 30	Principal	Interest	Total
2022	\$405,221	\$53,250	\$458,471
2023	415,352	43,119	458,471
2024	425,736	32,735	458,471
2025	436,379	22,092	458,471
2026	447,288	11,182	458,470
Total	\$2,129,976	\$162,378	\$2,292,354

C. Fiduciary Funds:

The following is a summary of the Redevelopment Obligation Retirement Fund's long-term debt transactions for the year ended June 30, 2021:

	Balance		Balance	Amount
	June 30, 2020	Retirements	June 30, 2021	due within one year
2019 Lease Revenue Bonds	\$4,380,000	\$325,000	\$4,055,000	\$340,000
Premium on Refunding Bond	576,642	52,422	524,220	52,422
Total Fiduciary Activity	\$4,956,642	\$377,422	\$4,579,220	\$392,422

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 or \$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.

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 2020-21, the City made principal and interest payments totaling \$325,000, and \$184,650, respectively.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 - LONG-TERM DEBT (Continued)

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
2022	\$340,000	\$171,650	\$511,650
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
2027-2031	2,230,000	317,450	2,547,450
Subtotal	4,055,000	1,035,100	5,090,100
Add Premium	524,220		524,220
Total	\$4,579,220	\$1,035,100	5,614,320

NOTE 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.

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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

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.

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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

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:

Governmental Funds	Amount
Major Funds:	
General Fund	\$693,197
Street Improvement Capital Projects	145,816
Total Major Funds	<u>839,013</u>
Non-Major Funds:	
Parks and Facilities Capital Improvement	3,318,963
Other non-major funds	76,607
Total Non-Major Funds	<u>3,395,570</u>
Total	<u><u>\$4,234,583</u></u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s fund balances, as of June 30, 2021, are below:

Fund Balance Classifications	General Fund	Street Improvement Capital Projects Fund	Other Governmental Funds	Total
Nonspendables:				
Advances to other funds	\$14,415,651			\$14,415,651
Total Nonspendable Fund Balances	14,415,651			14,415,651
Restricted for:				
Disaster recovery			\$913,261	913,261
Special Revenue Programs			13,360,321	13,360,321
Capital Projects		\$4,997,078	2,811,174	7,808,252
Affordable Housing Activities			700,649	700,649
Debt Service			5	5
Total Restricted Fund Balances		4,997,078	17,785,410	22,782,488
Assigned to:				
General Fund Reserve	12,338,243			12,338,243
General Fund Contingency	5,485,682			5,485,682
Emergency Disaster Reserve	2,026,454			2,026,454
Capital Improvement/One-Time Initiative Reserve	9,864,953			9,864,953
Encumbrances	693,196			693,196
Total Assigned Fund Balances	30,408,528			30,408,528
Unassigned	(9,442,918)		(16,928)	(9,459,846)
Total Unassigned Fund Balances	(9,442,918)		(16,928)	(9,459,846)
Total Fund Balances	\$35,381,261	\$4,997,078	\$17,768,482	\$58,146,821

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

E. Fund Balance Policies

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.

The aggregate balance of the General Fund's assigned fund balance was \$30,408,528 as of June 30, 2021. The breakdown is shown below:

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, 2021 was \$12,338,243.

The General Fund Contingency Reserve can be utilized through resolution for a budget appropriation deemed appropriate by City Council. The balance at June 30, 2021 was \$5,485,682.

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, 2021 was \$2,026,454.

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 20, 2021 was \$9,864,953.

Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled. The total encumbrances at June 30, 2021 was \$693,196.

F. Net Position Deficits

The City has a deficit net position of \$17,878,960 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 deficit net positions of \$3,953,068 in the Self Insurance Internal Service Fund and \$16,928 in the Federal/State Grants Special Revenue Fund, which will be funded by future cost allocations from other funds and future revenues, respectively.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 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, 2021, claims payable are as follows:

Beginning balance of claims payable	\$4,936,000
Changes to estimated claims liability	1,329,576
Claims paid	<u>(853,576)</u>
Ending balance of claims payable	<u>\$5,412,000</u>
Current Portion	<u>\$1,072,204</u>

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

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

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

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

2. *Cost-Sharing Multiple-Employer Defined Benefit Pension Plan* (Cost Sharing) 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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions and Discount Rate

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	6/30/2019
Measurement Date	6/30/2020
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
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study an Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website at www.calpers.ca.gov.

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 each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected 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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 single rounded 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 rounded down to the nearest one quarter of one percent.

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)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%		-0.92%
Total	<u>100%</u>		

- (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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (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 Outflows of Resources	Net Pension Liability/Proportionate Share of the Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$6,580,234	\$48,947,544		\$6,043,126
Safety	12,258,547	53,531,797	\$2,389,141	8,813,114
Total	\$18,838,781	\$102,479,341	\$2,389,141	\$14,856,240

A summary of the changes in net pension liability by plan type as of June 30, 2020 and June 30, 2021 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total - Both Plans
6/30/2020	\$45,902,570	\$48,942,165	\$94,844,735
6/30/2021	48,947,544	53,531,797	102,479,341
Change - Increase (Decrease)	\$3,044,974	\$4,589,632	\$7,634,606

CalPERS Miscellaneous

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plans, agent multiple-employer defined benefit pension plans 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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The Plans provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	11.686%	11.686%

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 \$3,307,713 in fiscal year 2021.

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	243
Inactive employees entitled to but not yet receiving benefits	179
Active employees	150
Total	572

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.

Net Pension Liability - The City's net pension liability for each 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

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, 2019 (Measurement Date)	\$146,063,544	\$100,160,974	\$45,902,570
Changes in the year:			
Service cost	2,514,610		2,514,610
Interest on the total pension liability	10,324,053		10,324,053
Changes of benefit terms			
Changes in assumptions			
Differences between actual and expected experience	856,075		856,075
Plan to plan resource movement			
Contribution - employer		4,630,765	(4,630,765)
Contribution - employee		1,144,051	(1,144,051)
Net investment income		5,016,150	(5,016,150)
Benefit payments, including refunds of employee contributions	(7,569,113)	(7,569,113)	
Administrative expense		(141,202)	141,202
Other Miscellaneous Income/Expense			
Net changes	<u>6,125,625</u>	<u>3,080,651</u>	<u>3,044,974</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$152,189,169</u>	<u>\$103,241,625</u>	<u>\$48,947,544</u>

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:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$69,133,063
Current Discount Rate	7.15%
Net Pension Liability	\$48,947,544
1% Increase	8.15%
Net Pension Liability	\$32,292,966

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2021, the City recognized pension expense of \$6,043,126. At June 30, 2021, 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	\$4,982,588	
Differences between actual and expected experience	851,018	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	746,628	
Total	\$6,580,234	\$0

A total of \$4,982,588 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Year Ended June 30	Annual Amortization
2022	\$202,790
2023	470,403
2024	511,063
2025	413,390

CalPERS Safety

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.

Plan Description - All qualified permanent and probationary employees are eligible to participate in the City's Safety Employee Pension Plans, 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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2021, 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 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0%-2.7%
Required employee contribution rates	9.0%	12.0%
Required employer contribution rates	23.674%	13.044%

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 \$3,308,094 in fiscal year 2021.

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 year ended June 30, 2021, contributions to the Safety Plan were as follows:

Contributions - employer	\$5,482,002
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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 Plans and additions to/deductions from the Plans 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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

At June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Plans	\$53,531,797
Total Net Pension Liability	\$53,531,797

The City's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liability is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

	Safety Plans
Proportion - June 30, 2019	0.78401%
Proportion - June 30, 2020	0.80350%
Change - Increase (Decrease)	0.01949%

For the year ended June 30, 2021, the City recognized pension expense of \$8,813,114 for the Safety Plan. On June 30, 2021, 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	\$5,482,002	
Differences between actual and expected experience	4,151,119	
Changes in assumptions		(\$178,315)
Net differences between projected and actual earnings on plan investments	1,163,471	
Differences between actual contributions and proportional contributions		(2,210,826)
Adjustment due to differences in proportion	1,461,955	
Total	\$12,258,547	(\$2,389,141)

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

A total of \$5,482,002 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	Annual <u>Amortization</u>
2022	\$895,051
2023	1,676,055
2024	1,233,334
2025	582,964

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:

	<u>Safety</u>
1% Decrease	6.15%
Net Pension Liability	\$78,413,678
Current Discount Rate	7.15%
Net Pension Liability	\$53,531,797
1% Increase	8.15%
Net Pension Liability	\$33,113,859

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

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 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, 2021:

Current retirees	107
Active employees	<u>226</u>
Total	<u><u>333</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 2020-21 the City’s actual contribution to the Teamsters Local #856 Health and Welfare Fund was \$6,302,612, 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.

It was determined during fiscal year 2016 the City’s participation in a multi-employer health trust should disclose annual trust contributions rather than a Other Post-Employment Benefit (OPEB) liability.

NOTE 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, 2021, 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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 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.

NOTE 12 – SUBSEQUENT EVENT

Reduction of CalPERS Discount Rate

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN BRUNO
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$27,719,452	\$29,383,985	\$34,081,291	\$4,697,306
Licenses and permits	4,267,477	4,942,887	4,914,700	(28,187)
Intergovernmental	5,134,141	4,621,728	4,755,748	134,020
Charges for services	2,818,072	1,909,176	2,093,216	184,040
Fines and forfeitures	1,049,200	1,049,200	722,685	(326,515)
Use of money and property	777,520	777,520	(347,948)	(1,125,468)
Other revenues	4,840,318	9,315,355	9,964,869	649,514
Total revenues	46,606,180	51,999,851	56,184,561	4,184,710
EXPENDITURES:				
Current:				
General government	6,171,897	6,851,656	7,012,591	(160,935)
Public safety	28,186,117	28,716,660	28,143,174	573,486
Public works	1,252,093	1,537,934	1,540,457	(2,523)
Streets	2,051,197	2,028,381	1,570,931	457,450
Parks and recreation	6,008,640	4,783,934	4,645,159	138,775
Library	2,070,741	1,942,291	1,930,827	11,464
Community and economic development	2,506,727	3,057,510	2,516,995	540,515
Capital outlay	355,735	848,615	800,041	48,574
Total expenditures	48,603,147	49,766,981	48,160,175	1,606,806
REVENUES OVER (UNDER) EXPENDITURES	(1,996,967)	2,232,870	8,024,386	5,791,516
OTHER FINANCING SOURCES (USES):				
Transfers in	3,150,524	3,181,276	3,138,051	(43,225)
Transfers out	(2,676,681)	(3,066,681)	(3,145,999)	(79,318)
Total other financing sources (uses)	473,843	114,595	(7,948)	(122,543)
Net change in fund balances	(1,523,124)	2,347,465	8,016,438	5,668,973
FUND BALANCES:				
Beginning of year	27,364,823	27,364,823	27,364,823	
End of year	\$25,841,699	\$29,712,288	\$35,381,261	\$5,668,973

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2021
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$2,202,577	\$2,097,851	\$2,139,755	\$2,531,862	\$2,492,070	\$2,432,199	\$2,514,610
Interest	7,873,939	8,305,341	8,778,896	9,108,648	9,431,890	9,905,673	10,324,053
Changes of benefit terms							
Differences between expected and actual experience		505,056	934,779	(667,604)	(431,451)	1,352,032	856,075
Changes in assumptions		(2,047,078)		7,626,708	(862,136)		
Benefit payments, including refunds of employee contributions	(4,768,345)	(5,034,556)	(5,302,771)	(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)
Net change in total pension liability	<u>5,308,171</u>	<u>3,826,614</u>	<u>6,550,659</u>	<u>13,028,520</u>	<u>4,589,143</u>	<u>6,491,689</u>	<u>6,125,625</u>
Total pension liability - beginning	<u>106,268,748</u>	<u>111,576,919</u>	<u>115,403,533</u>	<u>121,954,192</u>	<u>134,982,712</u>	<u>139,571,855</u>	<u>146,063,544</u>
Total pension liability - ending (a)	<u><u>\$111,576,919</u></u>	<u><u>\$115,403,533</u></u>	<u><u>\$121,954,192</u></u>	<u><u>\$134,982,712</u></u>	<u><u>\$139,571,855</u></u>	<u><u>\$146,063,544</u></u>	<u><u>\$152,189,169</u></u>
Plan fiduciary net position							
Contributions - employer	\$2,379,268	\$2,511,337	\$2,864,024	\$3,286,539	\$3,493,382	\$4,025,948	\$4,630,765
Contributions - employee	1,401,279	968,827	995,641	1,021,113	1,025,190	1,014,107	1,144,051
Net investment income	12,458,355	1,866,002	415,562	9,203,409	7,685,495	6,290,148	5,016,150
Net plan to plan resource movement					(223)		
Benefit payments, including refunds of employee contributions	(4,768,345)	(5,034,556)	(5,302,771)	(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)
Administration expense		(94,139)	(50,953)	(121,842)	(140,779)	(68,577)	(141,202)
Other changes in Fiduciary net position		(4)	(1,791)		(267,342)	223	
Net change in plan fiduciary net position	<u>11,470,557</u>	<u>217,467</u>	<u>(1,080,288)</u>	<u>7,818,125</u>	<u>5,754,493</u>	<u>4,063,634</u>	<u>3,080,651</u>
Plan fiduciary net position - beginning	<u>71,916,986</u>	<u>83,387,543</u>	<u>83,605,010</u>	<u>82,524,722</u>	<u>90,342,847</u>	<u>96,097,340</u>	<u>100,160,974</u>
Plan fiduciary net position - ending (b)	<u><u>\$83,387,543</u></u>	<u><u>\$83,605,010</u></u>	<u><u>\$82,524,722</u></u>	<u><u>\$90,342,847</u></u>	<u><u>\$96,097,340</u></u>	<u><u>\$100,160,974</u></u>	<u><u>\$103,241,625</u></u>
Net pension liability - ending (a)-(b)	<u><u>\$28,189,376</u></u>	<u><u>\$31,798,523</u></u>	<u><u>\$39,429,470</u></u>	<u><u>\$44,639,865</u></u>	<u><u>\$43,474,515</u></u>	<u><u>\$45,902,570</u></u>	<u><u>\$48,947,544</u></u>
Plan fiduciary net position as a percentage of the total pension liability	74.74%	72.45%	67.67%	66.93%	68.85%	68.57%	67.84%
Covered payroll	\$11,820,838	\$11,798,276	\$12,099,264	\$13,151,844	\$13,518,084	\$14,298,470	\$14,077,430
Net pension liability as percentage of covered payroll	238.47%	269.52%	325.88%	339.42%	321.60%	321.03%	347.70%

Notes to 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 2017, the accounting discount rate 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.

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

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of Fiscal Year ending June 30, 2021
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal year ended,	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Actuarially determined contribution	\$2,379,268	\$2,751,860	\$3,140,457	\$3,493,688	\$4,025,948	\$4,629,604	\$4,982,588
Contributions in relation to the actuarially determined contributions	<u>(2,379,268)</u>	<u>(2,751,860)</u>	<u>(3,140,457)</u>	<u>(3,493,688)</u>	<u>(4,025,948)</u>	<u>(4,629,604)</u>	<u>(4,982,588)</u>
Contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Covered payroll	\$11,798,276	\$12,099,264	\$13,151,844	\$13,518,083	\$14,298,470	\$14,077,430	\$14,311,191
Contributions as a percentage of covered payroll	20.17%	22.74%	23.88%	25.84%	28.16%	32.89%	34.82%
Notes to Schedule							
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age						
Amortization method	Level percentage of payroll, closed						
Remaining amortization period	15 Years 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						
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, 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 rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, and 2021, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.						

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

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2021
Last 10 Years***

SCHEDULE OF CHANGES IN THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	2014	2015	2016	2017	2018	2019	2020
Plan's Proportion of the Net Pension Liability/Asset	0.40726%	0.72742%	0.74853%	0.74621%	0.77063%	0.78401%	0.80350%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$25,341,888	\$29,972,747	\$38,768,137	\$44,587,859	\$45,216,872	\$48,942,165	\$53,531,797
Plan's Covered Payroll	8,296,958	8,733,422	9,215,379	9,360,496	8,768,759	9,259,344	9,977,457
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	305.44%	343.20%	420.69%	476.34%	515.66%	528.57%	536.53%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	21.72%	26.71%	26.71%	26.92%	27.76%	29.22%

* Fiscal year 2015 was the first year of implementation.

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2021
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
Actuarially determined contribution	\$2,600,052	\$1,681,684	\$3,203,722	\$3,682,068	\$4,282,040	\$4,978,130	\$5,482,002
Contributions in relation to the actuarially determined contributions	<u>(2,600,052)</u>	<u>(1,681,684)</u>	<u>(3,203,722)</u>	<u>(3,682,068)</u>	<u>(4,282,040)</u>	<u>(4,978,130)</u>	<u>(5,482,002)</u>
Contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Covered payroll	\$8,733,422	\$9,215,379	\$9,360,496	\$8,768,759	\$9,259,344	\$9,977,457	\$9,800,218
Contributions as a percentage of covered payroll	29.77%	18.25%	34.23%	41.99%	46.25%	49.89%	55.94%

Notes to Schedule

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

SUPPLEMENTARY INFORMATION

CITY OF SAN BRUNO
Combining Balance Sheet
 General Fund
 June 30, 2021

	General Fund Operating and Reserves	Measure G	General Fund Totals
ASSETS			
Cash and investments	\$21,369,395	\$518,801	\$21,888,196
Cash and investments with fiscal agent	50,496		50,496
Receivables:			
Taxes	5,461,496	700,061	6,161,557
Interest	137,168		137,168
Loans	775,862		775,862
Other	1,407,317		1,407,317
Prepaid items			
Interfund balances	27,135		27,135
Advances to other funds	14,415,651		14,415,651
Total assets	\$43,644,520	\$1,218,862	\$44,863,382
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$5,117,831		\$5,117,831
Due to other funds			
Other liability	3,504,872		3,504,872
Unearned revenue	859,418		859,418
Total liabilities	9,482,121		9,482,121
Fund balances:			
Nonspendable			
Restricted			
Committed			
Assigned	30,408,528		30,408,528
Unassigned	3,753,871	\$1,218,862	4,972,733
Total fund balances	34,162,399	1,218,862	35,381,261
Total liabilities, deferred inflows of resources and fund balances	\$43,644,520	\$1,218,862	\$44,863,382

CITY OF SAN BRUNO
Combining Schedule of Statement of Revenues, Expenditures, and Changes in Fund Balances
 General Fund
 For the year ended June 30, 2021

	General Fund Operating and Reserves	Measure G	Intra-Fund Transactions Elimination	General Fund Totals
REVENUES:				
Taxes	\$30,800,734	\$3,280,557		\$34,081,291
Licenses and permits	4,914,700			4,914,700
Intergovernmental	4,755,748			4,755,748
Charges for services	2,093,216			2,093,216
Fines and forfeitures	722,685			722,685
Use of money and property	(347,948)			(347,948)
Other revenues	9,964,869			9,964,869
Total revenues	52,904,004	3,280,557		56,184,561
EXPENDITURES:				
Current:				
General government	7,012,591			7,012,591
Public safety	28,143,174			28,143,174
Public works	1,540,457			1,540,457
Streets	1,570,931			1,570,931
Parks and recreation	4,645,159			4,645,159
Library	1,930,827			1,930,827
Community and economic development	2,516,995			2,516,995
Capital outlay	800,041			800,041
Total expenditures	48,160,175			48,160,175
REVENUES OVER (UNDER) EXPENDITURES	4,743,829	3,280,557		8,024,386
OTHER FINANCING SOURCES (USES):				
Transfers in	5,288,051		(\$2,150,000)	3,138,051
Transfers out	(2,740,999)	(2,555,000)	2,150,000	(3,145,999)
Total other financing sources (uses)	2,547,052	(2,555,000)		(7,948)
Net change in fund balances	7,290,881	725,557		8,016,438
FUND BALANCES:				
Beginning of year	26,871,518	493,305		27,364,823
End of year	\$34,162,399	\$1,218,862		\$35,381,261

CITY OF SAN BRUNO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual - General Fund
 For the year ended June 30, 2021

	General Fund Operating and Reserves			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$24,808,435	\$26,472,968	\$30,800,734	\$4,327,766
Licenses and permits	4,267,477	4,942,887	4,914,700	(28,187)
Intergovernmental	5,134,141	4,621,728	4,755,748	134,020
Charges for services	2,818,072	1,909,176	2,093,216	184,040
Fines and forfeitures	1,049,200	1,049,200	722,685	(326,515)
Use of money and property	777,520	777,520	(347,948)	(1,125,468)
Other revenues	4,840,318	9,315,355	9,964,869	649,514
Total revenues	43,695,163	49,088,834	52,904,004	3,815,170
EXPENDITURES:				
Current:				
General government	6,171,897	6,851,656	7,012,591	(160,935)
Public safety	28,186,117	28,716,660	28,143,174	573,486
Public works	1,252,093	1,537,934	1,540,457	(2,523)
Streets	2,051,197	2,028,381	1,570,931	457,450
Parks and recreation	6,008,640	4,783,934	4,645,159	138,775
Library	2,070,741	1,942,291	1,930,827	11,464
Community and economic development	2,506,727	3,057,510	2,516,995	540,515
Capital outlay	355,735	848,615	800,041	48,574
Total expenditures	48,603,147	49,766,981	48,160,175	1,606,806
REVENUES OVER (UNDER) EXPENDITURES	(4,907,984)	(678,147)	4,743,829	5,421,976
OTHER FINANCING SOURCES (USES):				
Transfers in	5,300,524	5,331,276	5,288,051	(43,225)
Transfers out	(2,271,681)	(2,661,681)	(2,740,999)	(79,318)
Total other financing sources (uses)	3,028,843	2,669,595	2,547,052	(122,543)
Net change in fund balances	(1,879,141)	1,991,448	7,290,881	5,299,433
FUND BALANCES:				
Beginning of year	26,871,518	26,871,518	26,871,518	
End of year	<u>\$24,992,377</u>	<u>\$28,862,966</u>	<u>\$34,162,399</u>	<u>\$5,299,433</u>

CITY OF SAN BRUNO
STREET IMPROVEMENT CAPITAL PROJECT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$248,929	\$320,929	\$689,796	\$368,867
Other revenues	400,000	400,000		(400,000)
Total revenues	<u>648,929</u>	<u>720,929</u>	<u>689,796</u>	<u>(31,133)</u>
EXPENDITURES:				
Current:				
Capital outlay	7,581,384	7,812,439	1,533,565	6,278,874
Total expenditures	<u>7,581,384</u>	<u>7,812,439</u>	<u>1,533,565</u>	<u>6,278,874</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,932,455)</u>	<u>(7,091,510)</u>	<u>(843,769)</u>	<u>(6,247,741)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,801,000	3,331,576	5,011,006	1,679,430
Transfers out	(199,171)	(793,459)	(865,287)	(71,828)
Total other financing sources (uses)	<u>2,601,829</u>	<u>2,538,117</u>	<u>4,145,719</u>	<u>1,607,602</u>
Net change in fund balances	<u>(4,330,626)</u>	<u>(4,553,393)</u>	<u>3,301,950</u>	<u>(4,640,139)</u>
FUND BALANCES:				
Beginning of year	1,695,128	1,695,128	1,695,128	
End of year	<u>(\$2,635,498)</u>	<u>(\$2,858,265)</u>	<u>\$4,997,078</u>	<u>(\$4,640,139)</u>

NON-MAJOR GOVERNMENTAL FUNDS

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, 2107.5 of the Streets and Highway Code.

Library – Accounts for funds received for Library programs and operations.

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.

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 FUNDS

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.

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, 2021
(with comparative totals for June 30, 2020)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$10,441,838			\$815,847
Cash and investments with fiscal agents				
Receivables:				
Taxes				180,233
Interest				
Loans				
Other		\$112,413	\$112,401	
Total assets	\$10,441,838	\$112,413	\$112,401	\$996,080
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities		\$14,776	\$7,910	
Due to other funds			27,135	
Deposits payable	\$3,492,518			
Unearned revenue			11,050	
Total liabilities	3,492,518	14,776	46,095	
Deferred Inflows of Resources:				
Unavailable revenue			83,234	
Total deferred inflows of resources			83,234	
Fund Balances:				
Restricted	6,949,320	97,637		\$996,080
Unassigned			(16,928)	
Total fund balances (deficits)	6,949,320	97,637	(16,928)	996,080
Total liabilities, deferred inflows of resources and fund balances	\$10,441,838	\$112,413	\$112,401	\$996,080

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
	\$714,992	\$183,004	\$317,708	\$2,180,816	\$258,190
				2,333	
	-		-	3,000	
	<u>\$714,992</u>	<u>\$183,004</u>	<u>\$317,708</u>	<u>\$2,186,149</u>	<u>\$258,190</u>
	\$77,321			\$3,085	
	<u>77,321</u>			<u>3,085</u>	
	637,671	\$183,004	\$317,708	2,183,064	\$258,190
	<u>637,671</u>	<u>183,004</u>	<u>317,708</u>	<u>2,183,064</u>	<u>258,190</u>
	<u>\$714,992</u>	<u>\$183,004</u>	<u>\$317,708</u>	<u>\$2,186,149</u>	<u>\$258,190</u>

(Continued)

CITY OF SAN BRUNO
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2021
(with comparative totals for June 30, 2020)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
ASSETS				
Cash and investments	\$700,649	\$118,576	\$1,106,230	\$913,261
Cash and investments with fiscal agents				
Receivables:				
Taxes				
Interest				
Loans				
Other				
Total assets	<u>\$700,649</u>	<u>\$118,576</u>	<u>\$1,106,230</u>	<u>\$913,261</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities				
Due to other funds				
Deposits payable				
Unearned revenue				
Total liabilities				
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue				
Total deferred inflows of resources				
Fund Balances:				
Restricted	\$700,649	\$118,576	\$1,106,230	\$913,261
Total fund balances (deficits)	<u>700,649</u>	<u>118,576</u>	<u>1,106,230</u>	<u>913,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$700,649</u>	<u>\$118,576</u>	<u>\$1,106,230</u>	<u>\$913,261</u>

Measure W Transportation Tax	Capital Projects Funds	Debt Service Fund	Non-major funds	
	Parks and Facilities	General	Totals	
	Capital Improvement		2021	2020
\$417,242	\$2,602,043	\$5	\$20,770,396 5	\$19,813,155 1
95,599			275,832 2,333	208,251
	383,562		611,376	1,636,261
<u>\$512,841</u>	<u>\$2,985,605</u>	<u>\$5</u>	<u>\$21,659,942</u>	<u>\$21,657,668</u>
	\$174,431		\$277,523 27,135 3,492,518 11,050	\$1,250,220
	<u>174,431</u>		<u>3,808,226</u>	<u>1,250,220</u>
			83,234	
			83,234	
\$512,841	2,811,174	\$5	17,785,410 (16,928)	20,407,448
<u>512,841</u>	<u>2,811,174</u>	<u>5</u>	<u>17,768,482</u>	<u>20,407,448</u>
<u>\$512,841</u>	<u>\$2,985,605</u>	<u>\$5</u>	<u>\$21,659,942</u>	<u>\$21,657,668</u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes				\$1,852,026
Licenses and permits				
Use of money & property	\$55,271	\$294	\$372	5,982
Intergovernmental		270,937	269,936	
Charges for services				
Fines and forfeitures				
Other revenues		60,026		
Total revenues	<u>55,271</u>	<u>331,257</u>	<u>270,308</u>	<u>1,858,008</u>
EXPENDITURES:				
Current:				
General government				
Public safety			202,935	
Streets				2,211
Parks and recreation	31,140	153,036		
Library			8,951	
Community and economic development	30,000		87,577	
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>61,140</u>	<u>153,036</u>	<u>299,463</u>	<u>2,211</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,869)</u>	<u>178,221</u>	<u>(29,155)</u>	<u>1,855,797</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				51,192
Transfers out	(175,000)	(115,333)		(1,733,500)
Total other financing sources and uses	<u>(175,000)</u>	<u>(115,333)</u>		<u>(1,682,308)</u>
Net change in fund balances	<u>(180,869)</u>	<u>62,888</u>	<u>(29,155)</u>	<u>173,489</u>
FUND BALANCES:				
Beginning of year	<u>7,130,189</u>	<u>34,749</u>	<u>12,227</u>	<u>822,591</u>
End of year	<u>\$6,949,320</u>	<u>\$97,637</u>	<u>(\$16,928)</u>	<u>\$996,080</u>

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
				\$214,200	
	\$5,051	\$1,349 156,727	\$2,480 11,474	16,027	\$1,611
	101,781				
			86,607	86,055	
	<u>106,832</u>	<u>158,076</u>	<u>100,561</u>	<u>316,282</u>	<u>1,611</u>
				42,460	
	231,209			104,978	
			71,025		
				9,173	
				17,755	
				15,216	
	<u>231,209</u>		<u>71,025</u>	<u>189,582</u>	
	(124,377)	158,076	29,536	126,700	1,611
(\$12,697)	(272,000)	(200,000)	(130,000)	10,889 (743,000)	(150,000)
(12,697)	(272,000)	(200,000)	(130,000)	(732,111)	(150,000)
(12,697)	(396,377)	(41,924)	(100,464)	(605,411)	(148,389)
12,697	1,034,048	224,928	418,172	2,788,475	406,579
	<u>\$637,671</u>	<u>\$183,004</u>	<u>\$317,708</u>	<u>\$2,183,064</u>	<u>\$258,190</u>

(Continued)

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds, Continued
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
REVENUES:				
Taxes			\$997,205	
Licenses and permits		\$6,632		
Use of money & property		738	5,835	
Intergovernmental				
Charges for services				
Fines and forfeitures				
Other revenues				\$3,278
Total revenues		<u>7,370</u>	<u>1,003,040</u>	<u>3,278</u>
EXPENDITURES:				
Current:				
General government				4
Public safety				
Streets				
Parks and recreation				
Library				
Community and economic development				
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures				<u>4</u>
REVENUES OVER (UNDER) EXPENDITURES		<u>7,370</u>	<u>1,003,040</u>	<u>3,274</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			793,420	
Transfers out			(3,176,381)	
Total other financing sources and uses			<u>(2,382,961)</u>	
Net change in fund balances		7,370	(1,379,921)	3,274
FUND BALANCES:				
Beginning of year	\$700,649	111,206	2,486,151	909,987
End of year	<u>\$700,649</u>	<u>\$118,576</u>	<u>\$1,106,230</u>	<u>\$913,261</u>

Measure W Transportation Tax	Capital Projects Funds	Debt Service Fund	Non-major funds	
	Parks and Facilities	General	Totals	
	Capital Improvement		2021	2020
\$466,674			\$3,315,905	\$3,338,155
			220,832	219,429
2,896		\$6	97,912	258,558
			709,074	409,437
			101,781	365,917
	\$1,993,985		2,229,951	7,221,300
469,570	1,993,985	6	6,675,455	11,812,796
			42,464	55,882
			539,122	204,370
			73,236	91,111
			193,349	179,279
			26,706	15,013
			132,793	167,088
	2,164,396		2,164,396	3,972,714
		1,398,135	1,398,135	1,358,246
		315,091	315,091	356,404
	2,164,396	1,713,226	4,885,292	6,400,107
469,570	(170,411)	(1,713,220)	1,790,163	5,412,689
	1,453,000	1,713,224	4,021,725	3,549,517
(400,000)	(1,342,943)		(8,450,854)	(4,843,676)
(400,000)	110,057	1,713,224	(4,429,129)	(1,294,159)
69,570	(60,354)	4	(2,638,966)	4,118,530
443,271	2,871,528	1	20,407,448	16,288,918
\$512,841	\$2,811,174	\$5	\$17,768,482	\$20,407,448

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Budget and Actual
For the year ended June 30, 2021

	SPECIAL REVENUE FUNDS					
	In-Lieu			Agency on Aging		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits						
Use of money & property	\$40,000	\$55,271	\$15,271	\$200	\$294	\$94
Intergovernmental				167,270	270,937	103,667
Charges for services						
Fines and forfeitures						
Other revenues				36,500	60,026	23,526
Total revenues	<u>40,000</u>	<u>55,271</u>	<u>15,271</u>	<u>203,970</u>	<u>331,257</u>	<u>127,287</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Streets						
Parks and recreation	30,000	31,140		167,137	153,036	14,101
Library						
Community and economic development	42,350	30,000	12,350			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>72,350</u>	<u>61,140</u>	<u>12,350</u>	<u>167,137</u>	<u>153,036</u>	<u>14,101</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(32,350)</u>	<u>(5,869)</u>	<u>26,481</u>	<u>36,833</u>	<u>178,221</u>	<u>141,388</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(175,000)	(175,000)		(36,500)	(115,333)	(78,833)
Total other financing sources and uses	<u>(175,000)</u>	<u>(175,000)</u>		<u>(36,500)</u>	<u>(115,333)</u>	<u>(78,833)</u>
Net change in fund balances	<u>(207,350)</u>	<u>(180,869)</u>	<u>26,481</u>	<u>333</u>	<u>62,888</u>	<u>62,555</u>
FUND BALANCES:						
Beginning of year	7,130,189	7,130,189		34,749	34,749	
End of year	<u>\$6,922,839</u>	<u>\$6,949,320</u>	<u>\$26,481</u>	<u>\$35,082</u>	<u>\$97,637</u>	<u>\$62,555</u>

SPECIAL REVENUE FUNDS

Federal/State Grants			Gas Tax			Library Special Revenue		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$1,510,448	\$1,852,026	\$341,578			
\$405,261	\$372 269,936	\$372 (135,325)	4,000	5,982	1,982			
<u>405,261</u>	<u>270,308</u>	<u>(134,953)</u>	<u>1,514,448</u>	<u>1,858,008</u>	<u>343,560</u>			
155,261	202,935	(47,674)						
			2,200	2,211	(11)			
20,000	8,951	11,049						
230,000	87,577	142,423						
<u>405,261</u>	<u>299,463</u>	<u>105,798</u>	<u>2,200</u>	<u>2,211</u>	<u>(11)</u>			
	(29,155)	(240,751)	1,512,248	1,855,797	343,571			
			45,000	51,192	(6,192)			
			(1,933,500)	(1,733,500)	(200,000)	(\$12,624)	(\$12,697)	\$73
			(1,888,500)	(1,682,308)	(206,192)	(12,624)	(12,697)	73
	(29,155)	(240,751)	(376,252)	173,489	137,379	(12,624)	(12,697)	73
12,227	12,227		822,591	822,591		12,697	12,697	
<u>\$12,227</u>	<u>(\$16,928)</u>	<u>(\$240,751)</u>	<u>\$446,339</u>	<u>\$996,080</u>	<u>\$137,379</u>	<u>\$73</u>		<u>\$73</u>

(Continued)

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Budget and Actual
 For the year ended June 30, 2021

	SPECIAL REVENUE FUNDS					
	Police Asset Seizure			Police Special Revenue		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits						
Use of money & property	\$4,000	\$5,051	\$1,051	\$1,600	\$1,349	(\$251)
Intergovernmental				130,000	156,727	26,727
Charges for services						
Fines and forfeitures	113,000	101,781	(11,219)			
Other revenues						
Total revenues	<u>117,000</u>	<u>106,832</u>	<u>(10,168)</u>	<u>131,600</u>	<u>158,076</u>	<u>26,476</u>
EXPENDITURES:						
Current:						
General government						
Public safety	482,882	231,209	251,673			
Public works						
Streets						
Parks and recreation						
Library						
Community and economic development						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>482,882</u>	<u>231,209</u>	<u>251,673</u>			
REVENUES OVER (UNDER) EXPENDITURES	<u>(365,882)</u>	<u>(124,377)</u>	<u>(261,841)</u>	<u>131,600</u>	<u>158,076</u>	<u>26,476</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(272,000)	(272,000)		(200,000)	(200,000)	
Total other financing sources and uses	<u>(272,000)</u>	<u>(272,000)</u>		<u>(200,000)</u>	<u>(200,000)</u>	
Net change in fund balances	<u>(637,882)</u>	<u>(396,377)</u>	<u>(261,841)</u>	<u>(68,400)</u>	<u>(41,924)</u>	<u>26,476</u>
FUND BALANCES:						
Beginning of year	1,034,048	1,034,048		224,928	224,928	
End of year	<u>\$396,166</u>	<u>\$637,671</u>	<u>(\$261,841)</u>	<u>\$156,528</u>	<u>\$183,004</u>	<u>\$26,476</u>

SPECIAL REVENUE FUNDS

SB 322 Recycling/Litter Clean-up			Restricted Revenues			Streets		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$70,000	\$214,200	\$144,200			
\$2,500	\$2,480	(\$20)	27,000	16,027	(10,973)		\$1,611	\$1,611
11,300	11,474	174						
<u>84,379</u>	<u>86,607</u>	<u>2,228</u>	<u>65,000</u>	<u>86,055</u>	<u>21,055</u>			
<u>98,179</u>	<u>100,561</u>	<u>2,382</u>	<u>162,000</u>	<u>316,282</u>	<u>154,282</u>		<u>1,611</u>	<u>1,611</u>
			78,600	42,460	36,140			
			98,954	104,978	(6,024)			
85,604	71,025	14,579						
			14,125	9,173	4,952			
			8,100	17,755	(9,655)			
			39,216	15,216	24,000			
<u>85,604</u>	<u>71,025</u>	<u>14,579</u>	<u>238,995</u>	<u>189,582</u>	<u>49,413</u>			
<u>12,575</u>	<u>29,536</u>	<u>(12,197)</u>	<u>(76,995)</u>	<u>126,700</u>	<u>104,869</u>		<u>1,611</u>	<u>1,611</u>
<u>(130,000)</u>	<u>(130,000)</u>		<u>10,889</u>	<u>10,889</u>	<u>12,146</u>	<u>(\$150,000)</u>	<u>(150,000)</u>	
<u>(130,000)</u>	<u>(130,000)</u>		<u>(755,146)</u>	<u>(743,000)</u>	<u>12,146</u>	<u>(150,000)</u>	<u>(150,000)</u>	
<u>(117,425)</u>	<u>(100,464)</u>	<u>(12,197)</u>	<u>(744,257)</u>	<u>(732,111)</u>	<u>12,146</u>	<u>(150,000)</u>	<u>(150,000)</u>	
			<u>(821,252)</u>	<u>(605,411)</u>	<u>117,015</u>	<u>(150,000)</u>	<u>(148,389)</u>	<u>1,611</u>
<u>418,172</u>	<u>418,172</u>		<u>2,788,475</u>	<u>2,788,475</u>		<u>406,579</u>	<u>406,579</u>	
<u>\$300,747</u>	<u>\$317,708</u>		<u>\$1,967,223</u>	<u>\$2,183,064</u>	<u>\$117,015</u>	<u>\$256,579</u>	<u>\$258,190</u>	<u>\$1,611</u>

(Continued)

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Budget and Actual
 For the year ended June 30, 2021

	SPECIAL REVENUE FUNDS					
	City as Housing Agency			Impact Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits				\$75,000	\$6,632	(\$68,368)
Use of money & property				500	738	238
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues						
Total revenues				<u>75,500</u>	<u>7,370</u>	<u>(68,130)</u>
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				<u>75,500</u>	<u>7,370</u>	<u>(68,130)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
Total other financing sources and uses						
Net change in fund balances				<u>75,500</u>	<u>7,370</u>	<u>(68,130)</u>
FUND BALANCES:						
Beginning of year	\$700,649	\$700,649		\$111,206	111,206	
End of year	<u>\$700,649</u>	<u>\$700,649</u>		<u>\$186,706</u>	<u>\$118,576</u>	<u>(\$68,130)</u>

SPECIAL REVENUE FUNDS

Measure A Transportation Tax			Disaster Recovery			Measure W Transportation Tax		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$816,327	\$997,205	\$180,878				\$241,462	\$466,674	\$225,212
15,000	5,835	(9,165)				500	2,896	2,396
				\$3,278	\$3,278			
<u>831,327</u>	<u>1,003,040</u>	<u>171,713</u>		<u>3,278</u>	<u>3,278</u>	<u>241,962</u>	<u>469,570</u>	<u>227,608</u>
			\$41,618	4	41,614			
			<u>41,618</u>	<u>4</u>	<u>41,614</u>			
<u>831,327</u>	<u>1,003,040</u>	<u>171,713</u>	<u>(41,618)</u>	<u>3,274</u>	<u>44,892</u>	<u>241,962</u>	<u>469,570</u>	<u>227,608</u>
648,459	793,420	144,961						
(1,296,951)	(3,176,381)	(1,879,430)				(400,000)	(400,000)	
<u>(648,492)</u>	<u>(2,382,961)</u>	<u>(1,734,469)</u>				<u>(400,000)</u>	<u>(400,000)</u>	
182,835	(1,379,921)	(1,562,756)	(41,618)	3,274	44,892	(158,038)	69,570	227,608
<u>2,486,151</u>	<u>2,486,151</u>		<u>909,987</u>	<u>909,987</u>		<u>443,271</u>	<u>443,271</u>	
<u>\$2,668,986</u>	<u>\$1,106,230</u>	<u>(\$1,562,756)</u>	<u>\$868,369</u>	<u>\$913,261</u>	<u>\$44,892</u>	<u>\$285,233</u>	<u>\$512,841</u>	<u>\$227,608</u>

(Continued)

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Budget and Actual
For the year ended June 30, 2021

	CAPITAL PROJECTS FUND			DEBT SERVICE FUND		
	Parks and Facilities		Capital Improvement	General		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits						
Use of money & property					\$6	\$6
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues	\$15,123,438	\$1,993,985	(\$13,129,453)			
Total revenues	<u>15,123,438</u>	<u>1,993,985</u>	<u>(13,129,453)</u>		<u>6</u>	<u>6</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Streets						
Parks and recreation						
Library						
Community and economic development						
Capital outlay	24,931,328	2,164,396	22,766,932			
Debt service:						
Principal				\$1,398,134	1,398,135	(1)
Interest and fiscal charges				315,097	315,091	6
Total expenditures	<u>24,931,328</u>	<u>2,164,396</u>	<u>22,766,932</u>	<u>1,713,231</u>	<u>1,713,226</u>	<u>5</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>(9,807,890)</u>	<u>(170,411)</u>	<u>9,637,479</u>	<u>(1,713,231)</u>	<u>(1,713,220)</u>	<u>11</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	1,453,000	1,453,000		1,713,231	1,713,224	(7)
Transfers out	(1,501,501)	(1,342,943)	158,558			
Total other financing sources and uses	<u>(48,501)</u>	<u>110,057</u>	<u>158,558</u>	<u>1,713,231</u>	<u>1,713,224</u>	<u>(7)</u>
Net change in fund balances	<u>(9,856,391)</u>	<u>(60,354)</u>	<u>9,796,037</u>		<u>4</u>	<u>4</u>
FUND BALANCES:						
Beginning of year	2,871,528	2,871,528		1	1	
End of year	<u>(\$6,984,863)</u>	<u>\$2,811,174</u>	<u>\$9,796,037</u>	<u>\$1</u>	<u>\$5</u>	<u>\$4</u>

INTERNAL SERVICE FUNDS

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

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

Internal service funds are still presented separately in the Fund financial statements, including the funds below.

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, 2021
(with comparative totals for June 30, 2020)

	Central Garage	Self- Insurance	Technology Development	Facilities Maintenance
ASSETS				
Current assets:				
Cash and investments	\$95,807	\$1,502,709	\$448,302	\$546,622
Cash and investments held by trustees		91,119		
Receivables (net):				
Accounts				34,682
Loans receivable				
Total current assets	<u>95,807</u>	<u>1,593,828</u>	<u>448,302</u>	<u>581,304</u>
Noncurrent assets:				
Capital assets (net)				5,305
Total noncurrent assets				<u>5,305</u>
Total assets	<u><u>\$95,807</u></u>	<u><u>\$1,593,828</u></u>	<u><u>\$448,302</u></u>	<u><u>\$586,609</u></u>
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$25,601	\$134,896	\$161,020	\$114,068
Compensated absences	3,521		8,283	9,471
Liability for claims		1,072,204		
Total current liabilities	<u>29,122</u>	<u>1,207,100</u>	<u>169,303</u>	<u>123,539</u>
Noncurrent liabilities:				
Compensated absences	7,419		22,587	31,036
Liability for claims		4,339,796		
Total noncurrent liabilities	<u>7,419</u>	<u>4,339,796</u>	<u>22,587</u>	<u>31,036</u>
Total liabilities	<u><u>36,541</u></u>	<u><u>5,546,896</u></u>	<u><u>191,890</u></u>	<u><u>154,575</u></u>
NET POSITION				
Invested in capital assets, net of related debt				5,305
Unrestricted net position	59,266	(3,953,068)	256,412	426,729
Total net position	<u>59,266</u>	<u>(3,953,068)</u>	<u>256,412</u>	<u>432,034</u>
Total liabilities and net position	<u><u>\$95,807</u></u>	<u><u>\$1,593,828</u></u>	<u><u>\$448,302</u></u>	<u><u>\$586,609</u></u>

Totals

<u>2021</u>	<u>2020</u>
\$2,593,440	\$1,885,053
91,119	91,119
34,682	
	233
<u>2,719,241</u>	<u>1,976,405</u>
5,305	9,284
<u>5,305</u>	<u>9,284</u>
<u>\$2,724,546</u>	<u>\$1,985,689</u>

\$435,585	\$368,295
21,275	16,439
1,072,204	1,126,626
<u>1,529,064</u>	<u>1,511,360</u>

61,042	45,928
4,339,796	3,809,374
<u>4,400,838</u>	<u>3,855,302</u>
<u>5,929,902</u>	<u>5,366,662</u>

5,305	9,284
<u>(3,210,661)</u>	<u>(3,390,257)</u>
<u>(3,205,356)</u>	<u>(3,380,973)</u>
<u>\$2,724,546</u>	<u>\$1,985,689</u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>Technology Development</u>	<u>Facilities Maintenance</u>
OPERATING REVENUES:				
Charges for services	\$575,178	\$2,846,554	\$1,058,000	\$1,724,000
Other revenue				34,681
Total operating revenues	<u>575,178</u>	<u>2,846,554</u>	<u>1,058,000</u>	<u>1,758,681</u>
OPERATING EXPENSES:				
Central garage	732,601			
Insurance premiums, claims and administration		2,853,629		
Technology			966,026	
Facilities				1,596,561
Depreciation				3,979
Total operating expenses	<u>732,601</u>	<u>2,853,629</u>	<u>966,026</u>	<u>1,600,540</u>
OPERATING INCOME (LOSS)	<u>(157,423)</u>	<u>(7,075)</u>	<u>91,974</u>	<u>158,141</u>
Transfers from other funds				90,000
Total transfers				<u>90,000</u>
CHANGE IN NET POSITION	<u>(157,423)</u>	<u>(7,075)</u>	<u>91,974</u>	<u>248,141</u>
NET POSITION:				
Beginning of year	<u>216,689</u>	<u>(3,945,993)</u>	<u>164,438</u>	<u>183,893</u>
End of year	<u>\$59,266</u>	<u>(\$3,953,068)</u>	<u>\$256,412</u>	<u>\$432,034</u>

Totals	
2021	2020
\$6,203,732	\$5,403,554
34,681	94,007
6,238,413	5,497,561
732,601	600,771
2,853,629	3,472,788
966,026	898,329
1,596,561	1,341,795
3,979	3,979
6,152,796	6,317,662
85,617	(820,101)
90,000	
90,000	
175,617	(820,101)
(3,380,973)	(2,560,872)
<u>(\$3,205,356)</u>	<u>(\$3,380,973)</u>

CITY OF SAN BRUNO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Central Garage	Self- Insurance	Technology Development	Facilities Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from other funds for services	\$578,149	\$2,846,554	\$1,061,187	\$1,772,473
Cash payments to suppliers for goods and services	(729,107)	(2,978,168)	(828,154)	(1,580,547)
Cash reimbursements for loss claims		476,000		
Net cash provided (used) by operating activities	(150,958)	344,386	233,033	191,926
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advance repayments from fiduciary funds				
Transfers received from other funds				90,000
Net cash provided by noncapital financing activities				90,000
Net increase in cash and cash equivalents	(150,958)	344,386	233,033	281,926
CASH AND CASH EQUIVALENTS:				
Beginning of year	246,765	1,249,442	215,269	264,696
End of year	<u>\$95,807</u>	<u>\$1,593,828</u>	<u>\$448,302</u>	<u>\$546,622</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	(\$157,423)	(\$7,075)	\$91,974	\$158,141
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation				3,979
(Increase) decrease in current assets:				
Accounts receivable				(34,682)
Loans receivable		233		
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	3,494	(124,772)	137,872	50,696
Compensated absences	2,971		3,187	13,792
Increase (decrease) in claims liability - current & noncurrent		476,000		
Net cash provided (used) by operating activities	(150,958)	344,386	233,033	191,926
Presentation in Statement of Net Position:				
Cash and investments	\$95,807	\$1,502,709	\$448,302	\$546,622
Cash and investments held by trustees		91,119		
Total Cash and Cash Equivalents, End of Year	<u>\$95,807</u>	<u>\$1,593,828</u>	<u>\$448,302</u>	<u>\$546,622</u>

Totals	
2021	2020
\$6,258,363	\$5,473,374
(6,115,976)	(6,162,824)
476,000	524,000
<u>618,387</u>	<u>(165,450)</u>
<u>90,000</u>	
<u>90,000</u>	
<u>708,387</u>	<u>(165,450)</u>
<u>1,976,172</u>	<u>2,141,622</u>
<u>\$2,684,559</u>	<u>\$1,976,172</u>
\$85,617	(\$820,101)
3,979	3,979
(34,682)	
233	(233)
67,290	151,092
19,950	(24,187)
476,000	524,000
<u>\$618,387</u>	<u>(\$165,450)</u>
\$2,593,440	\$1,885,053
<u>91,119</u>	<u>91,119</u>
<u>\$2,684,559</u>	<u>\$1,976,172</u>

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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. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investments in capital assets	\$ 48,151,315	\$ 49,191,126	\$ 50,124,094	\$ 47,667,730	\$ 50,836,407
Restricted	12,461,795	10,637,770	10,612,672	16,592,413	12,444,902
Unrestricted	6,089,202	(5,227,689)	(3,967,832)	(35,591,299)	(34,557,594)
Total governmental activities net position	<u>\$ 66,702,312</u>	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>	<u>\$ 28,668,844</u>	<u>\$ 28,723,715</u>
Business-type activities					
Net investments in capital assets	\$ 32,968,582	\$ 36,842,785	\$ 46,715,688	\$ 57,076,442	\$ 67,316,388
Restricted	-	-	-	-	-
Unrestricted	18,311,018	19,519,379	24,822,052	11,218,527	7,002,450
Total business-type activities net position	<u>\$ 51,279,600</u>	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>	<u>\$ 68,294,969</u>	<u>\$ 74,318,838</u>
Primary government					
Net investments in capital assets	\$ 67,688,185	\$ 86,033,911	\$ 96,839,782	\$ 104,744,172	\$ 118,152,795
Restricted	15,666,900	10,637,770	10,612,672	16,592,413	12,444,902
Unrestricted	21,431,254	14,291,690	20,854,220	(24,372,772)	(27,555,144)
Total primary government net position	<u>\$ 104,786,339</u>	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>	<u>\$ 96,963,813</u>	<u>\$ 103,042,553</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities					
Net investments in capital assets	\$ 54,014,157	\$ 59,084,356	\$ 66,352,484	\$ 69,271,484	\$ 68,788,202
Restricted	15,727,642	18,264,533	18,534,689	22,102,576	22,782,488
Unrestricted	(42,133,843)	(41,778,351)	(47,316,623)	(55,052,523)	(50,077,211)
Total governmental activities net position	<u>\$ 27,607,956</u>	<u>\$ 35,570,538</u>	<u>\$ 37,570,550</u>	<u>\$ 36,321,537</u>	<u>\$ 41,493,479</u>
Business-type activities					
Net investments in capital assets	\$ 70,539,432	\$ 37,167,066	\$ 42,964,412	\$ 53,787,761	\$ 58,800,601
Restricted	-	\$ 40,979,572	27,693,026	15,720,390	4,123,199
Unrestricted	14,463,523	12,485,588	30,544,816	41,095,816	57,420,518
Total business-type activities net position	<u>\$ 85,002,955</u>	<u>\$ 90,632,226</u>	<u>\$ 101,202,254</u>	<u>\$ 110,603,967</u>	<u>\$ 120,344,318</u>
Primary government					
Net investments in capital assets	\$ 124,553,589	\$ 96,251,422	\$ 109,316,896	\$ 123,059,245	\$ 127,588,803
Restricted	15,727,642	18,264,533	46,227,715	37,822,966	26,905,687
Unrestricted	(27,670,320)	(29,292,763)	(16,771,807)	(13,956,707)	7,343,307
Total primary government net position	<u>\$ 112,610,911</u>	<u>\$ 85,223,192</u>	<u>\$ 138,772,804</u>	<u>\$ 146,925,504</u>	<u>\$ 161,837,797</u>

* Restated for the elimination of the Other Post-Employment Benefits (OPEB).

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 9,136,147	\$ 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
Public safety	19,129,330	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
Public works	952,496	954,150	850,759	863,706	929,223	1,032,599	1,797,113	2,332,672	1,566,728	3,131,204
Highways and streets	3,967,555	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
Parks and recreation	4,698,243	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
Library	1,693,611	1,695,581	1,731,305	1,731,305	1,799,797	1,937,463	2,094,990	2,094,990	2,458,480	2,298,623
Community development	1,951,941	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
Interest expense	455,313	931,179	267,977	416,914	403,839	387,374	380,311	386,594	373,262	324,944
Total governmental activities expenses	41,984,636	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
Business-type activities:										
Water	8,444,001	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
Stormwater	446,020	661,493	739,512	905,074	606,627	606,627	1,011,466	1,677,767	2,287,138	1,375,960
Wastewater	8,755,063	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
Cable Television	10,709,142	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
Total business-type activities expenses	28,354,226	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
Total primary government expenses	70,338,862	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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,171,610	\$ 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
Public safety	1,719,551	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
Public works	205,501	135,283	104,982	86,732	165,037	475,379	308,461	301,330	421,557	708,024
Highways and streets	9,474	14,649	19,985	17,977	17,204	16,500	17,092	17,228	17,474	17,900
Parks and recreation	1,182,386	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
Library	132,216	94,866	92,227	96,969	86,593	92,709	93,014	26,855	17,101	772
Community development	1,793,825	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
Operating grants and contributions	10,364,539	9,190,570	9,527,246	11,433,248	3,053,574	7,352,434	13,445,214	6,440,037	2,231,014	3,022,800
Capital grants and contributions	1,897,433	1,143,765	88,658	391,523	227,381	133,241	1,408,402	1,936,614	7,735,245	7,808,476
Total governmental activities program revenues	20,476,535	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
Business-type activities:										
Charges for services:										
Water	10,601,609	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
Stormwater	612,325	611,886	1,474,221	839,852	652,195	1,035,641	645,507	648,323	650,555	655,608
Wastewater	11,294,768	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
Cable Television	10,192,578	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
Total business-type activities program revenues	32,701,280	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
Total primary government program revenues	53,177,815	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
Net Revenues (Expenses)										
Governmental activities	\$ (21,508,101)	\$ (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)
Business-type activities	4,347,054	5,002,619	11,868,261	5,895,627	5,606,277	6,958,233	5,388,771	8,224,966	6,718,355	9,040,581
Total net revenues (expenses)	(17,161,047)	(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)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 5,641,633	\$ 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
Property taxes, tax increment for redevelopment purposes	3,607,372	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
Transient occupancy tax	2,183,947	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
Franchise tax	1,941,385	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
Sales tax, including subvention	6,861,036	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
Cardroom taxes	1,572,708	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
Other taxes	2,028,635	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
Intergovernmental:	3,255,434	-	1,370,767	1,270,588	976,525	887,258	1,243,782	1,811,108	1,844,231	1,852,026
State motor vehicle in-lieu tax, including subvention	-	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)
State highway user tax	1,788,884	(11,968,561)	(204,035)	274,320	-	-	-	-	-	-
Use of money and property	1,328,242	58,075	(3,064,452)	(1,768,413)	(258,524)	(3,476,327)	317,399	(720,000)	(1,269,703)	(201,358)
Miscellaneous and extraordinary items	(29,493)	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
Transfers	30,179,783	138,020	242,863	174,855	159,068	249,557	557,899	1,625,062	1,413,655	498,412
Total governmental activities	147,344	(58,075)	3,064,452	1,768,413	258,524	3,476,327	(317,399)	720,000	1,269,703	201,358
Business-type activities:	176,837	79,945	3,307,315	1,943,268	417,592	3,725,884	240,500	2,345,062	2,683,358	699,770
Use of money and property	30,356,620	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
Transfers	8,671,682	(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
Total business-type activities	4,523,891	5,082,564	15,175,576	7,838,895	6,023,869	10,684,117	5,629,271	10,570,028	9,401,713	9,740,351
Change in Net Position	\$ 13,195,573	\$ (3,659,307)	\$ 17,343,303	\$ 14,091,115	\$ 6,078,740	\$ 9,568,358	\$ 13,591,853	\$ 12,570,040	\$ 8,152,700	\$ 14,912,293
Governmental activities	\$ 8,671,682	\$ (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
Business-type activities	4,523,891	5,082,564	15,175,576	7,838,895	6,023,869	10,684,117	5,629,271	10,570,028	9,401,713	9,740,351
Total primary government	\$ 13,195,573	\$ (3,659,307)	\$ 17,343,303	\$ 14,091,115	\$ 6,078,740	\$ 9,568,358	\$ 13,591,853	\$ 12,570,040	\$ 8,152,700	\$ 14,912,293

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 24,265,039	\$ 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
Licenses and permits	3,674,707	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
Intergovernmental	4,811,636	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
Charges for services	3,120,324	3,120,324	2,826,577	3,134,354	3,398,555	3,301,524	3,301,524	3,689,192	2,918,239	2,093,216
Fines and Forfeitures	759,985	676,421	654,000	605,704	698,463	1,132,649	7,009,636	1,345,048	1,115,456	824,466
Use of money and property	1,788,884	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)
Other revenues	9,409,245	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
Total revenues:	49,357,569	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
Expenditures										
General Government	7,659,751	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
Public safety	19,200,997	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
Public works	954,550	876,159	856,559	1,028,427	895,218	852,334	984,844	1,255,226	1,447,402	1,540,457
Highways and streets	3,420,294	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
Parks and recreation	4,245,171	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
Library	1,635,242	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
Community Development	1,903,573	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
Capital outlay	2,154,326	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
Debt service:										
Principal	365,592	386,409	807,336	818,289	829,272	1,939,282	1,035,038	1,411,245	1,358,246	1,398,135
Interest	219,706	542,606	410,689	399,660	386,635	368,929	363,591	343,660	356,404	315,091
Total expenditures	41,759,202	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
Reconciliation of Government Revenues										
Less expenditures to fund equity										
Revenues over (under) expenditures	7,598,367	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
Extraordinary item	(6,591,758)	-	-	-	-	-	-	-	-	-
Other financing sources (Transfer in)	2,572,024	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
Other financing sources (Transfer out)	(2,870,183)	(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)
Other financing sources (Capital lease)	-	-	-	-	-	1,873,846	-	1,630,339	-	-
Other financing sources (uses):	-	-	-	-	-	-	-	-	-	-
Proceeds of debt issued (refunds)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances (e)	\$ 708,450	\$ 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
Debt service as a percentage of noncapital expenditures	1.5%	2.3%	2.9%	2.8%	2.9%	5.3%	3.1%	3.6%	3.4%	3.4%

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	Total Assessed (b)			
2012	\$ 4,070,537,434	\$ 891,421,347	\$ 51,219,994	\$ 58,079,327	\$ 5,071,258,102	\$ 149,424,723	\$ 5,220,682,825	\$ 5,220,682,825	1.0000	
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	

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	
2012	1.0000	1.0000	0.0909	0.0000	1.0909
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

Source: California Municipal Statistics

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

	2020-21					2011-2012				
	Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(1) % of	Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(2) % of
Google Inc.		Office Building	\$ 735,979,711	1	8.33%	ASN Tanforan Crossing I LLC	Apartments	\$ 165,384,369	1	3.26%
Crystal Springs Associates		Apartments	191,388,713	2	2.17%	The Gap Inc.	Office Building	125,359,142	2	2.47%
Shops at Tanforan Associates LLC		Shopping Center	167,301,360	3	1.89%	Tanforan Park Shopping Center	Shopping Center	119,821,426	3	2.36%
ASN Tanforan Crossing I LLC		Apartments	158,682,747	4	1.80%	Bayhill Four Associates	Office Building	116,497,773	4	2.30%
Walmart Stores Inc		Office Building	135,628,418	5	1.54%	SNK SB Crossing LLC	Apartments	60,850,010	5	1.20%
Benringer Harvard Acappella LP		Apartments	119,125,800	6	1.35%	Behringer Harvard Acappella LP	Apartments	55,000,000	6	1.08%
San Bruno III Financing LP		Apartments	97,199,259	7	1.10%	CREA-San Bruno LLC	Office Building	43,500,000	7	0.86%
Seritage SRC Financial LLC		Shopping Center	95,690,253	8	1.08%	Landmark Towne Center LLC	Shopping Center	40,979,776	8	0.81%
Welch Family Partnership		Commercial	68,048,422	9	0.77%	Crystal Springs Associates	Apartments	31,824,121	9	0.63%
Aimco San Bruno Apartments Partners LP		Apartments	61,531,019	10	0.70%	Aimco San Bruno Apartments Partn	Apartments	30,829,263	10	0.61%
Subtotal			\$ 1,830,575,702		20.72%			\$ 790,045,880		15.58%

Total Local Secured Assessed Valuation: 8,834,319,948
(1) Fiscal Year 2020-21
(2) Fiscal Year 2011-12

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, 2021

Name

All Shores	135 El Camino Real
Apex Systems, Inc.	1111 Bayhill Dr Ste 240
Automotive Workwear Inc	881 Sneath Ln Ste 113
Best Buy Store#1896	1250 El Camino Real #111
Century Theaters Inc.#494	1188 El Camino Real
Clapp, Moroney, Bellagamba, & Vucinich	1111 Bayhill Dr Ste 300
Courtyard By Marriott San Francisco Airp	1050 Bayhill Dr
Crestmoor Auto Center	2901 San Bruno Ave
CVS/Pharmacy#9807	10 Bayhill Shopping CTR
Dynamic Signal Inc.	1111 Bayhill Dr Ste 125
El Camino Velero-Gas	800 El Camino Real
Enterprise Rent A Car Co. of San Francisco	734 San Bruno Ave E
J.C. Penney Corp. Inc	1122 El Camino Real
Lucky #748	1322 El Camino Real
Lunardi's Market	2801 San Bruno Ave W
Marken Brokerage Services LLC	1051 Sneath Ln
Marshall's #492	1268 El Camino Real
Melody Toyota	750 El Camino Real
Melody Toyota	222 San Bruno Ave E
Mollie Stones's Market	851 Cherry Ave Ste 22
Providence San Bruno	890 El Camino Real
Recology San Bruno	101 Tanforan Ave
RMC Motorcars	444 El Camino Real
Rollingwood Chevron	2001 Rollingwood Dr
S.Mckenna Roofing Inc.	320 Palomar Ct
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 Town Center	San Bruno Town Center
Shops At Tanforan LLC	1150 El Camino Real Ste 17
Specialty Tobacco Outlet	1230 El Camino Real Ste L
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
Victory Honda of San Bruno	345 El Camino Real
Vince's Shell Fish Co.Inc.	1063 Montgomery Ave
Walgreens#2939	333 El Camino Real
You Tube	999 Bayhill Dr
YouTube Inc.	901 Cherry Ave

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
2012	\$ 4,594,121	\$ 4,594,121	100%	-	\$ 4,594,121	100%
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%

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				
	Capital Leases	Pension Obligation	Fire Apparatus 2017 Capital Lease	Cable Router Capital Lease	Subtotal
	2012	\$ 240,306	\$ -	\$ -	
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

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 Plant Loan	Subtotal				
	2012	\$ 8,035,000	\$ -	\$ -	\$ -	\$ 874,252	\$ 11,315,552				
2013	7,800,000	-	-	-	467,213	10,360,416	18,627,629	31,386,276	42,828	732.84	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	-	5,184,508	25,693,415	12,191,979	-	3,264,636	46,334,538	53,153,671	45,454	1,169.39	2.5%

Fiscal Year Ended June 30,	Fiduciary Funds	
	Certificates of Participation	2019 Lease Revenue Bonds
	2012	\$ 7,680,000
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

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2021

2020-21 Assessed Valuation:	\$	8,978,895,657		
		Total Debt		City's Share of
Overlapping Tax and Assessment Debt:		6/30/21	% Applicable (1)	Debt 6/30/21
San Mateo Community College District	\$	761,305,961	3.507%	\$ 26,699,000
South San Francisco Unified School District		163,485,887	1.019	1,665,921
San Mateo Union High School District		680,210,648	9.839	66,925,926
San Bruno Park School District		51,781,252	93.021	48,167,438
Millbrae School District		49,459,527	2.857	1,509,999
				\$ 144,968,284
Ratios to 2020-21 Assessed Valuation:				
Total Overlapping Tax and Assessment Debt				1.61%
Direct and Overlapping General Fund Debt:				
San Mateo County General Fund Obligations	\$	487,114,345	3.507%	\$ 17,083,100
San Mateo County Board of Education Certificates of Participation		6,840,000	3.507	239,879
San Mateo County Flood Control District Certificates of Participation		15,425,000	6.472	998,306
South San Francisco Unified School District Certificates of Participation		3,185,000	1.019	32,455
San Bruno Park School District Lease Revenue Bonds		2,485,000	93.021	2,311,572
City of San Bruno Fire Apparatus 2017 Lease		269,031	100.00	90,522
City of San Bruno Pension Obligation Bonds		6,948,374	100.00	6,062,892
City of San Bruno CATV Router Lease		980,344	100.00	665,719
				27,484,445
Total Direct Debt				6,819,133
Total Overlapping Debt				165,633,596
				\$ 172,452,729
Combined Total Debt ⁽²⁾				(2)
Ratios to Adjusted Assessed Valuation:				
Total Direct Debt (\$6,819,133)				0.08%
Combined Total Debt				1.92%
State School Building Aid Repayable as of 6/30/21	\$			-

(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.

Source: California Municipal Statistics & City Financial Statement

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

Legal Debt Margin Calculation for Fiscal Year 2021 ⁽¹⁾

Gross Assessed Valuation	\$ 8,978,895,657
Bonded Debt Limit (3.75% of Assessed Value)	<u>336,708,587</u>
Less Amount of Debt Applicable to Limit	-
Legal Bonded Debt Margin	<u>\$ 336,708,587</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 782,820	\$ 798,292	\$ 842,892	\$ 906,586	\$ 967,607	\$ 260,349	\$ 275,518	\$ 295,778	\$ 315,178	\$ 336,709
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 782,820</u>	<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>
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%

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 were based on 25% of full market value. 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	\$ -	\$ 257,968	34.12
2015	15,087,098	7,947,063	3,248,307	290,000	285,188	5.65
2016	15,954,642	8,355,894	7,598,748	260,000	277,388	14.14
2017	15,923,694	9,305,503	6,618,191	265,000	268,775	12.40
2018	17,032,182	8,431,394	8,600,788	280,000	258,975	15.96
2019	18,643,453	8,039,977	10,603,476	285,000	247,575	19.91
2020	18,947,384	8,955,800	9,991,584	295,000	235,775	18.82
2021	18,710,405	8,990,002	9,720,403	310,000	222,600	18.25
2017 Wastewater Revenue Bonds						
2018	\$ 17,032,182	\$ 8,431,394	\$ 8,600,788	\$ -	\$ 573,459	15.00
2019	18,643,453	8,039,977	10,603,476	245,000	999,700	8.52
2020	18,947,384	8,955,800	9,991,584	440,000	986,500	7.00
2021	18,710,405	8,990,002	9,720,403	455,000	972,850	6.81
2017 Water Revenue Bonds						
2018	\$ 15,561,896	\$ 8,819,147	\$ 6,742,749	\$ -	\$ 272,194	24.77
2019	17,721,522	9,032,331	8,689,191	120,000	474,400	14.62
2020	17,614,884	9,715,615	7,899,269	210,000	468,100	11.65
2021	18,031,439	10,443,967	7,587,472	215,000	461,650	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)
2012	42,451	\$ 1,447,664,002	\$ 34,102	37.3	3,747	7.1%	N/A
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%

Source: 2011-12 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

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	2020-21			2011-12***		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
You Tube, Inc*	2,565	1	9.87%	558		2.27%
Walmart eCommerce Corporate Office	2,000	1	7.69%			
Skyline College**	402	3	1.55%			
Artichoke Joe's Casino	384	4	1.48%			
City of San Bruno	232	5	0.89%			
San Bruno Park School District**	215	6	0.83%			
Target Store	208	7	0.80%	258		1.05%
Lucky Supermarkets	188	8	0.72%			
Lowe's HIW, Inc.	170	9	0.65%	146		0.59%
Church of the Highlands	100	10	0.38%			
Cisco Ironport Systems, Inc						
Lash Group, Inc				332		1.35%
Sears, Roebuck & Co***				264		1.07%
CBR Systems Inc				152		0.62%
Lunardi's Market				77		0.31%
Davita RX				74		0.30%
Melody Toyota				71		0.29%
Vantagepoint Venture Partners				45		0.18%
Total Top Employers	6,464		24.86%	1,977		8.04%
Total City Labor (1)	26,000			24,600		

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

***Employers were ranked base on the City's business license gross, not by number of 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1.75	2.00	2.00	2.00
City Treasurer	1.00	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	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Human Resources	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Finance										
Administration	5.00	4.50	5.00	5.00	5.00	5.50	5.50	5.00	5.00	5.00
Revenue Services	6.00	6.00	5.00	5.00	5.00	4.50	4.50	5.00	5.00	5.00
Police	59.00	60.00	61.50	62.50	62.50	64.00	65.00	68.00	69.00	72.00
Fire	32.50	32.75	32.75	33.30	33.40	35.00	35.00	35.00	36.00	36.00
PublicWorks										
Admin. & Engineering	6.75	6.75	6.70	6.70	6.70	6.70	6.70	6.70	6.70	5.65
Streets Maintenance	5.05	5.05	5.10	5.70	5.80	5.80	5.80	5.70	5.70	5.65
Community Development										
Planning	1.75	3.50	4.50	4.50	4.25	5.75	5.25	5.25	5.25	5.25
Building	4.25	6.50	6.50	7.50	7.75	8.25	8.75	8.75	10.75	7.75
Parks & Recreation Services										
Recreation	4.05	4.00	4.00	4.75	4.90	4.90	4.90	4.90	4.90	4.95
Parks Maintenance	13.35	13.80	13.80	14.30	13.05	13.05	13.05	15.05	15.05	14.85
Senior Services	1.25	3.35	3.35	3.45	3.75	3.65	3.65	3.65	3.65	3.90
Library Services	8.75	7.65	7.65	7.55	7.75	7.85	7.85	7.85	7.85	7.80
Subtotal	160.45	167.10	170.10	174.50	174.10	179.20	179.70	185.35	189.35	188.30
Special Revenues										
Solid Waste	0.35	0.35	0.35	0.35	0.45	0.45	0.45	0.45	0.45	0.45
RDA Operation	3.60	-	-	-	-	-	-	-	-	-
Successor Agency to SB RDA	N/A	1.00	-	-	-	-	-	-	-	-
RDA Low/Mod Housing	1.90	-	-	-	-	-	-	-	-	-
Subtotal	5.85	1.35	0.35	0.35	0.45	0.45	0.45	0.45	0.45	0.45
Internal Services										
Central Garage	2.85	2.85	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.60
Buildings and Facilities	6.10	5.70	5.70	6.45	7.05	7.05	7.05	8.05	8.05	8.85
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	1.00	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal	12.95	12.55	11.55	12.80	13.40	13.40	13.40	14.40	14.40	15.45
Enterprise Funds										
Water Enterprise	17.30	17.30	16.95	17.45	17.45	17.95	17.95	17.95	17.95	17.95
Stormwater Enterprise	3.65	3.65	3.75	4.15	3.95	3.95	3.95	4.05	6.05	6.05
Wastewater Enterprise	15.55	15.55	15.80	16.30	16.30	16.80	16.80	16.80	16.80	16.80
Cable Enterprise	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Subtotal	56.50	56.50	56.50	57.90	57.70	58.70	58.70	58.80	60.80	60.80
Glenview Funds										
Crestmoor (Glenview) Recovery		5.00	4.25	3.70	3.70	2.00	0.50	-	-	-
Subtotal	N/A	5.00	4.25	3.70	3.70	2.00	0.50	-	-	-
Total Positions (all funds)	235.75	242.50	242.75	249.25	249.35	253.75	252.75	259.00	265.00	265.00

Source: Adopted City Budget

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Calls for Service	23,242	24,405	30,131	32,610	36,144	31,333	42,057	47,429	44,684	41,406
Physical arrests	1,371	989	1,071	1,224	1,280	1,311	1,087	1,627	1,240	845
Parking violations**	11,683	11,559	8,710	8,794	11,675	15,525	14,205	18,252	9,848	13,396
Traffic collisions	387	380	369	464	452	384	325	338	237	233
Moving citations	2,128	1,422	2,659	2,144	2,221	2,225	2,424	2,447	2,199	1,953
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,809	3,916	3,148	3,159	3,574	4,288	3,874	4,006	4,236	4,092
Number of inspection conducted**	1,381	1,358	1,326	1,375	1,420	1,360	1,307	1,415	1,621	1,444
Public Works										
Street repair (sq. ft.)	4,304	3,923	4,792	14,697	861,150	145,204	539,343	816,331	80,999	29,457
Potholes repaired	1,016	2,311	2,670	2,185	1,618	2,333	1,442	1,905	2,546	2,735
Sidewalk repair (sq. ft)	2,215	896	11,625	14,980	651	262	119,922	3,624	8,001	2,003
Sidewalk curb&gutter repair (ft)	62	85	927	1,397	109	886	26,041	700	1,269	1,234
Street light poles replaced			6	14	9	13	65	44	50	10
Community Development:										
Plans checks	384	340	340	527	553	445	549	688	622	162
Permits Issued	1,375	1,284	1,283	1,339	1,622	1,500	1,468	1,455	1,276	1,471
Parks & recreation:										
Picnic rentals	813	673	934	954	859	842	888	820	532	107
Number of trees planted	*	*	63	120	75	100	100	100	71	100
Linear miles of medians maintained	*	*	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Library:										
Library circulation	372,162	388,066	358,362	354,047	329,210	337,671	334,711	353,015	294,333	165,059
Library visits	239,649	228,835	248,563	219,343	182,263	179,150	190,466	205,851	161,907	10,813
Water										
New service connections	271	265	442	263	285	363	243	282	238	299
Gallons purchased(millions of gallons)	796	725	600	477	507	948	950	1,102	907	2,647
Stormwater										
Number of curb miles swept	*	*	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
Cable										
Number of Internet service subscribers	*	*	6,085	6,111	6,337	6,460	6,600	7,260	7,109	7,300
Number of new customer installations	*	*	953	1,121	1,208	1,031	1,200	1,500	1,112	1,112

* 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 Seven Fiscal Years
 (Fiscal year ended June 30)

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

Note:
 * Historical data is not available
 Source: City of San Bruno

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