



City of San Bruno, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

(with comparative totals for the Fiscal Year Ended June 30, 2018)



CITY OF SAN BRUNO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**PREPARED BY:
FINANCE DEPARTMENT**

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**CITY OF SAN BRUNO, CALIFORNIA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

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INTRODUCTORY SECTION

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December 18, 2019

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 Comprehensive Annual Financial Report (CAFR) for the City of San Bruno is submitted for the fiscal year ended June 30, 2019. 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 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, 2019 are free of material misstatements.

Maze & Associates concluded there is a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2019 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 43,047.

San Bruno is a General Law city incorporated in 1914 that operates under the council-manager form of government. Policy-making and legislative authority 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, City Clerk and City Attorney.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for 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, and an internet, cable television and telephone service enterprise. 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 City Council 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 using 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, businesses, and retailers. Local economic indicators continue showing an increasing housing values and sales activity in the City and across the region. The City projects that regional economic growth will continue at a moderate pace over the next several years. The City's unemployment rate remains below 3%. Job growth has led to rising home prices and an increase in commercial and residential development activity.

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.

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 CAFR for the fiscal year ended June 30, 2018. 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 comprehensive annual financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Acknowledgments

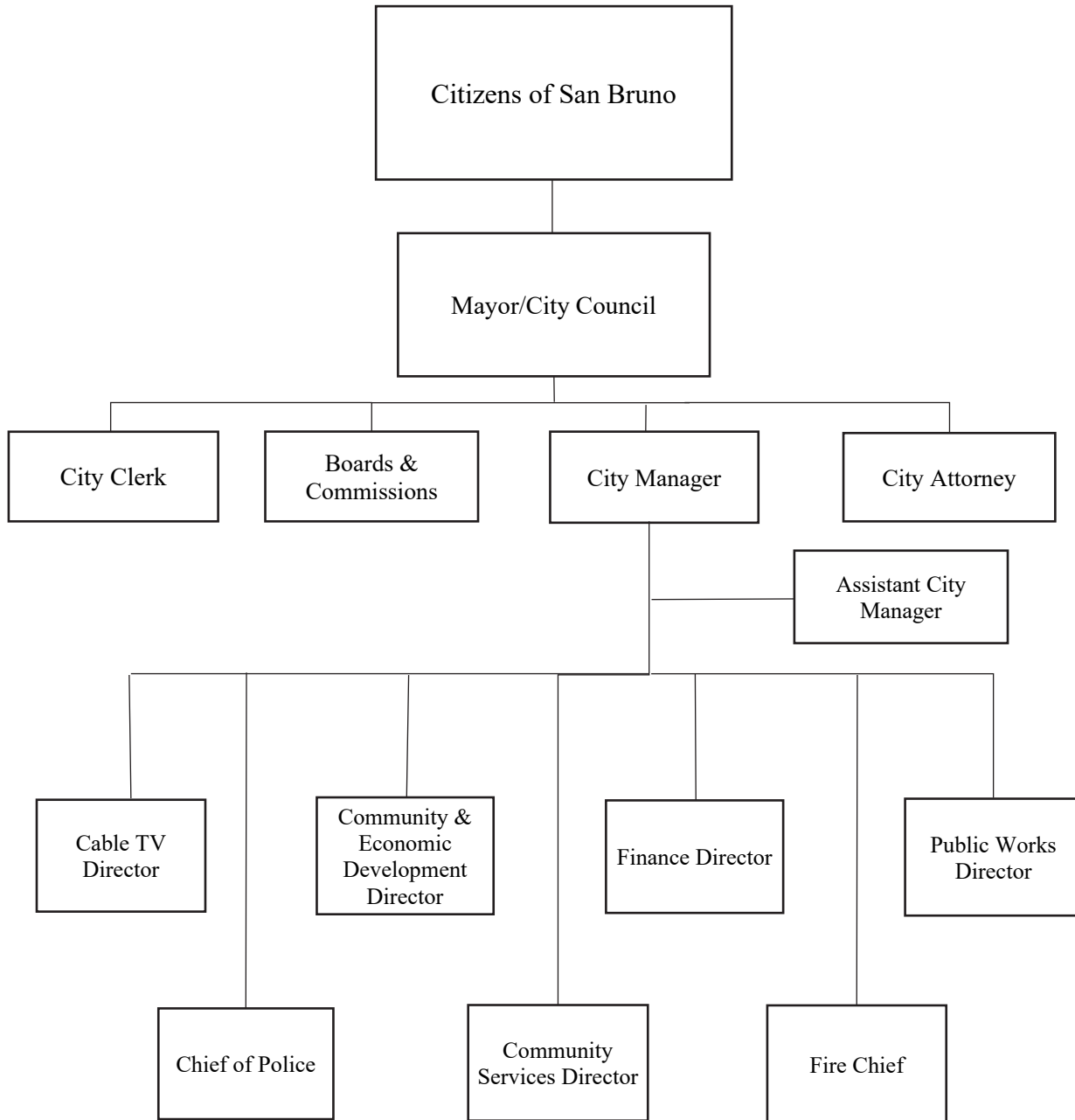
I would like to express my appreciation for the collective effort that was required for the preparation of this Comprehensive Annual Financial Report. I would like to thank the City Council for its interest and policy oversight on the various fiscal issues addressed during the year. In addition, the City Manager 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,



Keith R. DeMartini
Finance Director

CITY OF SAN BRUNO ORGANIZATION CHART



Directory of Officials

Elected Officials

Rico E. Medina
Irene O'Connell
Laura Davis
Marty Medina
Michael Salazar

Mayor
Vice Mayor
Council Member
Council Member
Council Member

Administrative Personnel

Jovan D. Grogan
Tami Yuki
Marc Zafferano
Keith DeMartini
Darcy Smith
Joanne Magrini
Dave Cresta
Ed Barberini
Jimmy Tan
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
Cable TV Director
City Clerk



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Bruno
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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, 2019, 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, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which became effective during the year ended June 30, 2019 as discussed in Note 5 to the financial statements. This Statement had no material effect on the financial statements.

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, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 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 18, 2019 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 18, 2019

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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, 2019

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, 2019. The intent of this discussion and analysis is presenting 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 2018-19

- The City's assets and deferred outflow of resources exceed its liabilities and deferred inflow of resources at June 30, 2019 by \$138.8 million. Of this amount, \$(16.8) million represents unrestricted net position. The negative unrestricted net position is the result of implementing GASB Statement No. 68, Accounting and Financial Reporting for Pensions recognizing the City's net pension liability, since fiscal year 2014-15.
- The government-wide net position increased by \$12.6 million during the fiscal year, bringing the total net position to \$138.8 million. The 10.0% increase in net position is the result of changes in major asset categories – cash and investments and capital assets. Of government-wide net position, \$109.3 million is invested in capital assets, \$46.2 million is restricted for specific use, and the balance of \$(16.8) million is unrestricted for the City's operations and capital investments.
- The City's governmental activities program and general revenues of \$57.6 million were greater than expenses of \$55.6 million by \$2.0 million. The largest revenue category, property taxes, grew by \$1.3 million, which is a 13% increase over the prior year. Modest increases in transient occupancy tax, sales tax, cardroom tax, and property tax in-lieu of vehicle license fees contributed to an additional \$1.0 million in revenue growth. Gasoline tax revenues saw an increase of \$0.6 million, or 46%, which reflects a full year of funding for local streets and roads through the Road Maintenance and Rehabilitation Account imposed under the Road Repair and Accountability Act of 2017. After transfers to other funds of \$0.7 million, governmental net position increased by \$2.0 million to \$37.6 million.
- The City's business-type activities program revenues and general revenues from the four enterprise operations of \$46.8 million were greater than expenses of \$36.9 million by \$9.9 million. Approved water and sewer rate increases contributed to the growth. After transfers in from other funds of \$0.7 million, business-type activities net position increased by \$10.6 million to \$101.2 million.
- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$47.7 million, a decrease of \$1.9 million compared to the prior year. The decrease is attributable to expenditures exceeding revenues by \$2.9 million. In the prior year, the City received a one-time receipt of \$6 million, which was a CPUC fine imposed on PG&E. Increased expenditures were primarily attributable to a robust street improvement capital program, the filling of vacant positions, personnel cost of living adjustments, and purchasing internet router equipment through a lease-purchase agreement.
- The City's General Fund reserve fund balances as of June 30, 2019 totaled: General Fund Reserve, \$11.8 million, General Fund Contingency Fund, \$2.2 million, Emergency Disaster Reserve, \$3.2 million, Capital Improvement/One-Time Initiative Reserve, \$5.0 million, and General Fund Equipment Reserve, \$4.2 million. The General Fund Contingency Fund retained an additional amount of \$0.7 million above the target fund balance of \$1.5 million to pay for ongoing budget enhancements with no dedicated, ongoing funding stream. The reserve balances as of June 30, 2019 meet all requirements of the City's reserve policy. See Note 6 for further details. Other reserves include the internal service fund reserves for Central Garage, Building and Facilities, and Technology totaling \$0.2 million.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

Overview of Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for 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 23 and 24 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.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

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 is provided in the form of combining statements elsewhere in 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 28 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 cable television.

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 combining statements elsewhere in the report.

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

Fiduciary funds. Trust and agency funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds which are the Project Development Fund and Recology San Bruno Fund. Since agency funds are custodial in nature (i.e. assets equal liabilities) each does not involve measurement of results of operations. For this reason, fiduciary funds are not reflected in the government-wide financial statements.

In addition to agency funds, 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. Unlike agency funds, trust funds report an "income statement" referred to as a statement of changes in fiduciary net position.

The fiduciary fund financial statements can be found on page 42 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 45 of this report.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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 88 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.

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 \$138.8 million at the close of fiscal year 2018-19. 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 (\$109.3 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.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 56,069,759	\$ 57,045,162	\$ 79,154,616	\$ 71,106,582	\$ 135,224,375	\$ 128,151,744
Capital assets, net	68,080,105	59,737,884	93,273,732	89,271,243	161,353,837	149,009,127
Total assets	<u>124,149,864</u>	<u>116,783,046</u>	<u>172,428,348</u>	<u>160,377,825</u>	<u>296,578,212</u>	<u>277,160,871</u>
Deferred outflows of resources	15,544,511	19,909,892	2,077,896	3,279,474	17,622,407	23,189,366
Current liabilities	10,808,677	9,648,271	9,837,491	7,352,243	20,646,168	17,000,514
Noncurrent liabilities	88,221,516	88,729,624	63,151,351	65,536,559	151,372,867	154,266,183
Total liabilities	<u>99,030,193</u>	<u>98,377,895</u>	<u>72,988,842</u>	<u>72,888,802</u>	<u>172,019,035</u>	<u>171,266,697</u>
Deferred inflows of resources	3,093,632	2,744,505	315,148	136,271	3,408,780	2,880,776
Net Position						
Net investment in capital assets	66,352,483	59,084,356	42,964,412	37,167,066	109,316,895	96,251,422
Restricted	18,534,689	18,264,533	27,693,026	40,979,572	46,227,715	59,244,105
Unrestricted	(47,316,622)	(41,778,351)	30,544,816	12,485,588	(16,771,806)	(29,292,763)
Total net position	<u>\$ 37,570,550</u>	<u>\$ 35,570,538</u>	<u>\$ 101,202,254</u>	<u>\$ 90,632,226</u>	<u>\$ 138,772,804</u>	<u>\$ 126,202,764</u>

An additional portion of the City's net position (\$46.2 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 \$(16.8) million. The negative balance is a result of the City's recognition of net pension liability amounting to \$88.7 million, as required by GASB 68.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Governmental activities increased the City's net position by \$2.0 million in 2018-19. Business-type activities increased the City's net position by \$10.6 million. Key elements of these changes are as follows:

Statement of Activities						
(In Millions)						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Charge for services	\$ 10.9	\$ 9.7	\$ 45.2	\$ 42.7	\$ 56.1	\$ 52.4
Operating grants and contributions	6.4	13.5	-	-	6.4	13.5
Capital grants and contributions	1.9	1.4	-	-	1.9	1.4
Property taxes	11.9	10.5	-	-	11.9	10.5
Transient occupancy taxes	3.6	3.4	-	-	3.6	3.4
Franchise taxes	1.8	1.8	-	-	1.8	1.8
Sales taxes	8.8	8.3	-	-	8.8	8.3
Cardroom taxes	1.9	1.9	-	-	1.9	1.9
Other taxes	2.2	2.6	-	-	2.2	2.6
State motor vehicle in-lieu tax, including subvention	5.0	4.6	-	-	5.0	4.6
State highway user tax	1.8	1.2	-	-	1.8	1.2
Use of money and property	2.1	1.2	1.6	0.5	3.7	1.7
Total Revenue	58.3	60.1	46.8	43.2	105.0	103.4
Expenses						
General government	8.4	8.2	-	-	8.4	8.2
Public safety	29.8	27.4	-	-	29.8	27.4
Public works	2.3	1.8	-	-	2.3	1.8
Streets	3.5	3.5	-	-	3.5	3.5
Parks and recreation	6.1	6.2	-	-	6.1	6.2
Library	2.1	2.0	-	-	2.1	2.0
Community and economic development	3.0	2.9	-	-	3.0	2.9
Interest expense	0.4	0.4	-	-	0.4	0.4
Water	-	-	11.3	11.4	11.3	11.4
Stormwater	-	-	1.7	1.0	1.7	1.0
Wastewater	-	-	11.8	12.4	11.8	12.4
Cable Television	-	-	12.1	12.5	12.1	12.5
Total expenses	55.6	52.4	36.9	37.3	92.4	89.7
Increase (Decrease) in net position before transfers	2.7	7.7	9.9	5.9	12.6	13.6
Transfers	(0.7)	0.3	0.7	(0.3)	-	-
Increase (Decrease) in Net Position	2.0	8.0	10.6	5.6	12.6	13.6
Net position - Beginning	35.6	27.6	90.6	85.0	126.2	112.6
Net position - Ending	\$ 37.6	\$ 35.6	\$ 101.2	\$ 90.6	\$ 138.8	\$ 126.2

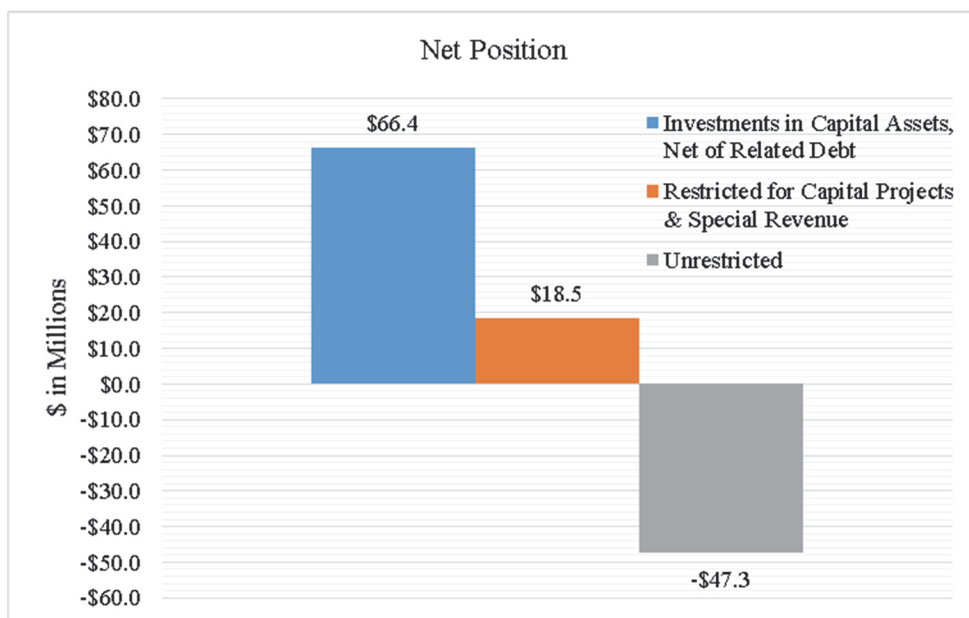
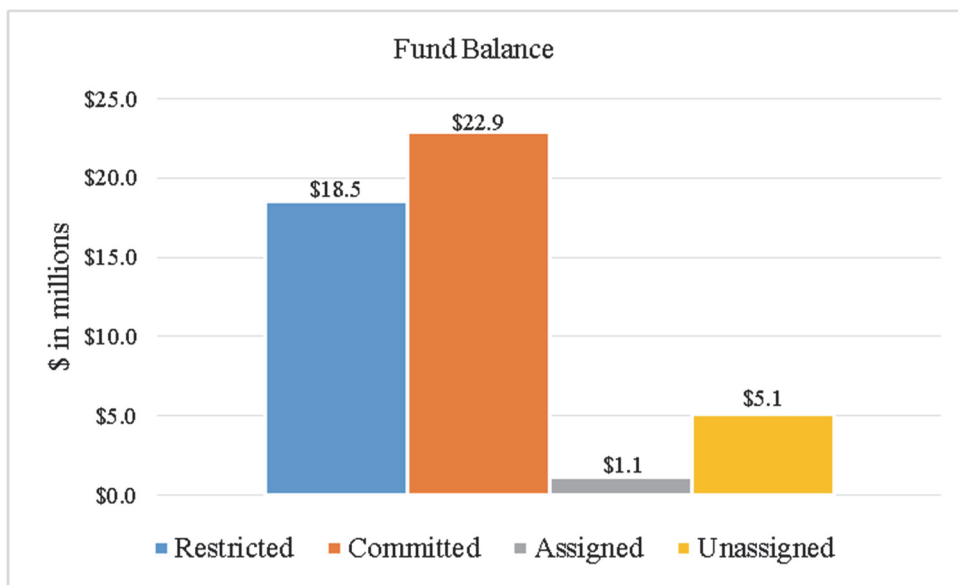
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Governmental Activities

The cost of all governmental activities this year was \$55.6 million. As shown in the statement of activities, the amount that general taxpayers paid for these activities with general revenues was \$39.0 million because some of the costs were paid by those specifically benefiting from the programs (\$10.9 million), by other governments and organizations subsidizing programs with grants, and contributions (\$8.4 million) for operations and capital improvement.

Available net position is an amount not subject to restriction in the current period, typically classified as fund balance. These amounts are converted to net position by adding long-term assets and subtracting long-term liabilities. A graphic illustration of this conversion is as follows:



CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Total resources available during the year to finance governmental operations were \$57.6 million. This consists of \$19.3 million in program revenues and \$38.3 million in general revenues net of transfers. Total governmental activities expenses during the year were \$55.6 million.

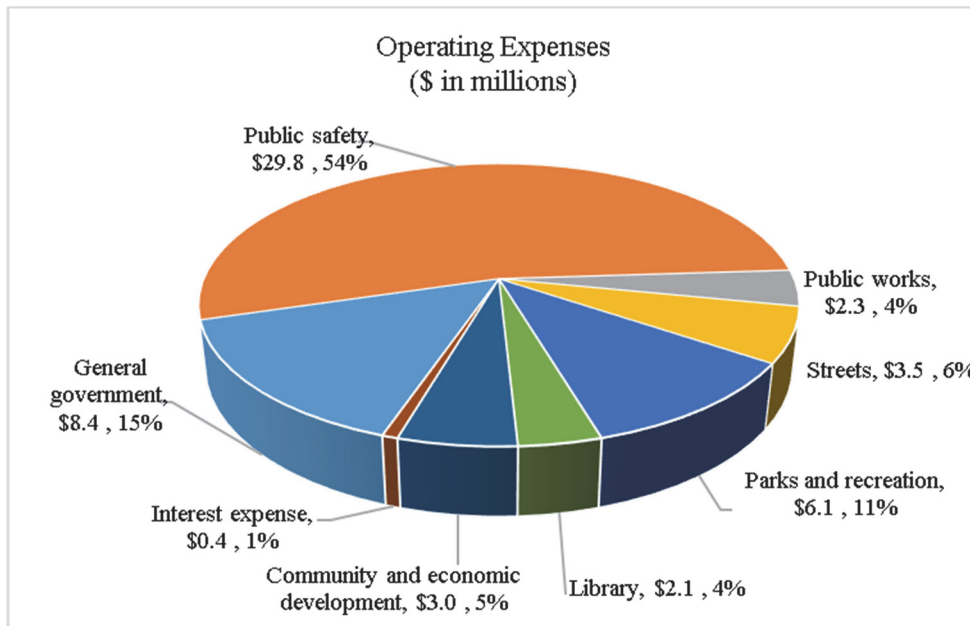
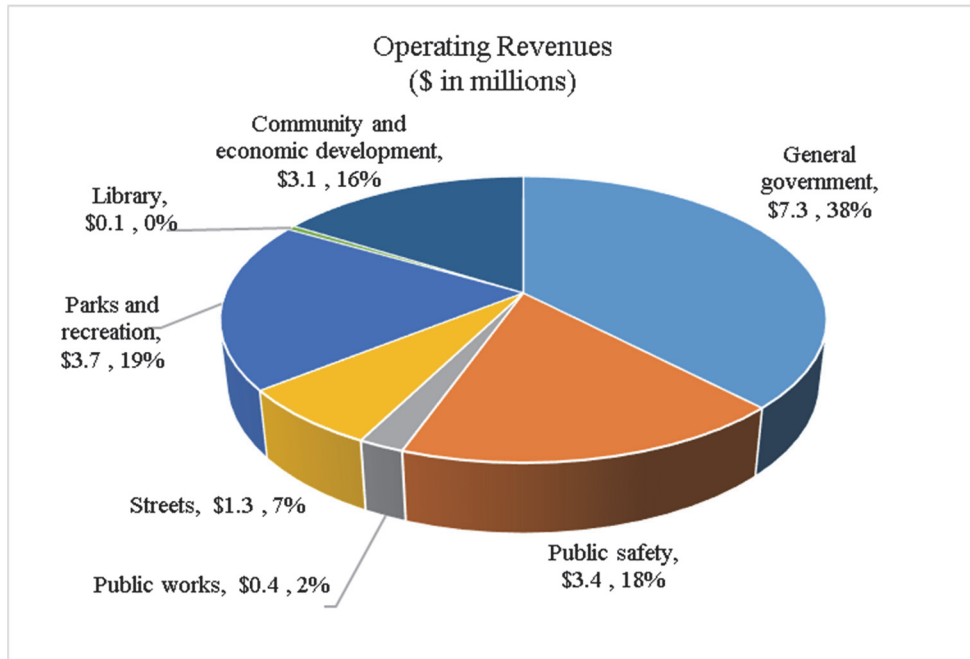
The City’s programs include general government, public safety, public works, streets, parks and recreation, library, and community and economic development. Each program’s net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that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

	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
	2019	2018	2019	2018	2019	2018
Governmental activities:						
General government	\$ 7,288,600	\$ 16,000,720	\$ 8,429,310	\$ 8,186,106	\$ (1,140,710)	\$ 7,814,614
Public safety	3,433,237	2,768,832	29,772,551	27,448,567	(26,339,314)	(24,679,735)
Public works	414,358	320,065	2,332,672	1,797,113	(1,918,314)	(1,477,048)
Streets	1,251,525	897,288	3,505,727	3,512,681	(2,254,202)	(2,615,393)
Parks and recreation	3,788,565	2,597,255	6,147,260	6,156,634	(2,358,695)	(3,559,379)
Library	46,480	135,716	2,093,683	2,094,990	(2,047,203)	(1,959,274)
Community and economic development	3,083,093	1,851,315	2,955,685	2,887,538	127,408	(1,036,223)
Interest expense	-	-	388,594	380,311	(388,594)	(380,311)
Total governmental activities	\$ 19,305,858	\$ 24,571,191	\$ 55,625,482	\$ 52,463,940	\$ (36,319,624)	\$ (27,892,749)

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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



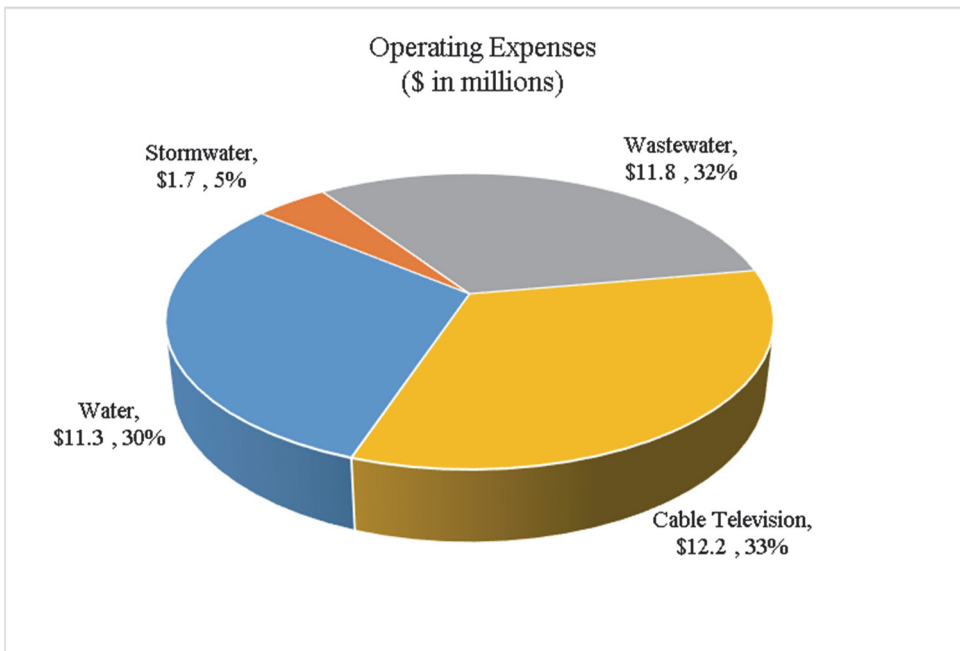
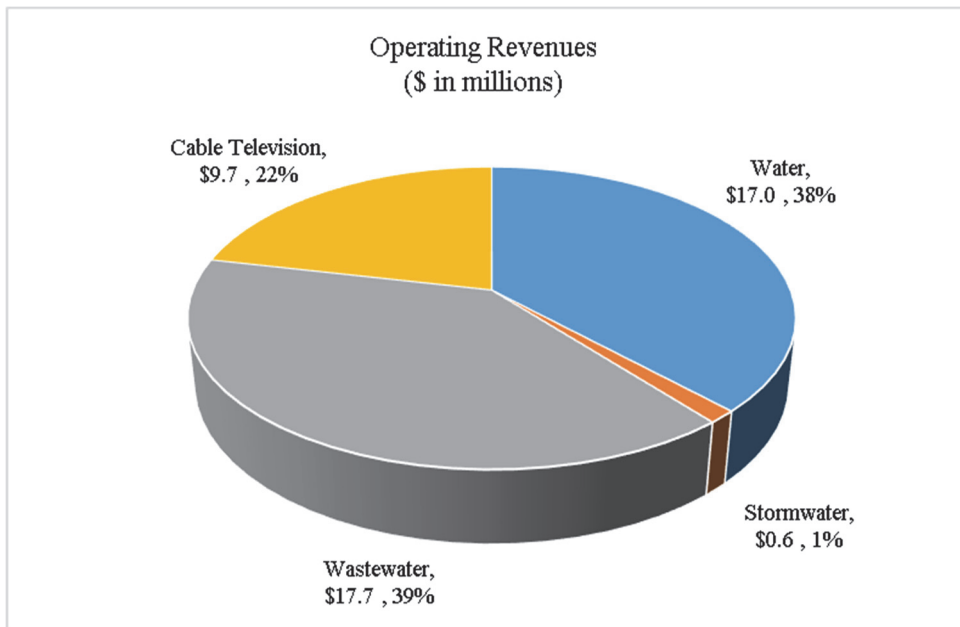
CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Business-type Activities

The City's business-type activities include water, stormwater, wastewater, and cable television. Total resources available during the year to finance business-type activities were \$47.5 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, 2019**

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	
	2019	2018	2019	2018	2019	2018
	Business-type activities:					
Water	\$ 17,037,634	\$ 15,312,217	\$ 11,290,539	\$ 11,416,387	\$ 5,747,095	\$ 3,895,830
Stormwater	648,323	645,507	1,677,767	1,011,466	(1,029,444)	(365,959)
Wastewater	17,732,648	16,748,382	11,781,728	12,380,908	5,950,920	4,367,474
Cable Television	9,739,499	9,983,780	12,183,104	12,492,354	(2,443,605)	(2,508,574)
Total business-type activities	\$ 45,158,104	\$ 42,689,886	\$ 36,933,138	\$ 37,301,115	\$ 8,224,966	\$ 5,388,771

Fund Level Financial Analysis

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. Unassigned fund balance is a strong indicator of uncommitted resources available for future spending.

Major Fund Change in Fund Balance:

- General Fund fund balance decreased by \$2.1 million to \$29.2 million at June 30, 2019. For financial statement presentation purposes, the General Fund includes the operating fund and reserve funds. Revenues decreased by \$2.3 million, or 4.7%, because the City received a one-time receipt in the prior year from the CPUC penalty assessed on PG&E. After taking out the one-time payment, recurring revenues from taxes, licenses and permits, intergovernmental, charges for services, fines and forfeitures, and use of money and property increased by \$4.2 million, or 10.8%. Expenditures increased by \$4.2 million due to filling vacant positions, cost of living and step increases (\$2.3 million), and purchase of cable router equipment through a lease-purchase agreement (\$1.9 million).
- Street Improvement Capital Projects fund balance decreased by \$2.5 million because of a high level of construction activity from various capital projects. The largest project that commenced during the year was the Street Rehabilitation project, which had a construction contract valued at \$3.8 million.

Enterprise Funds Change in Net Position:

- Water Fund net position increased by \$6.5 million to \$54.3 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.
- Wastewater Fund net position increased by \$6.9 million to \$54.3 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.
- Stormwater Fund net position decreased by \$0.2 million to \$5.9 million due to operating expenses exceeding revenues and transfers in.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

- Cable Television Fund net position decreased by \$2.4 million to \$(15.2) million. This decline is primarily a result of operating expenses exceeding operating revenues. Depreciation expense of \$1.2 million and the impact of reflecting the GASB 68 pension expense in the fund of \$0.3 million contributed to the net position decrease. Measures to reduce the deficit will come from additional revenues expected from offering higher margin cable and internet packages and expense reductions.

General Fund Budgetary Highlights

The budget comparison information presented on page 88 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 and General Reserve funds.

Original Budget Compared to Final Budget:

During the fiscal year, there was no need for any amendments to increase the original estimated revenues. However, transfers in to the General Fund Capital Improvement/One-time Initiative Reserve Fund was increased by \$260,000 because Commodore Dog Park Run Improvements construction phase of \$130,000 was deferred and excess funds of \$130,000 from the completed Streetlight Pole Replacement project was returned.

Significant adjustments to appropriations totaling \$3.0 million included:

- Revenue enhancement strategies support through conducting a community priorities survey, public outreach/education efforts, and obtaining project management services - \$85,000
- Various consulting services for property tax and business license transient occupancy tax audit, and preparation of a comprehensive development impact fee program - \$55,500
- Professional services for development of the San Mateo Avenue Streetscape Plan - \$125,000
- Additional transfers out to fund the Stormwater spot repair program and Spyglass Drive Storm Drain Improvements - \$320,000
- Re-appropriate prior years funding to replace various vehicles from the City's fleet - \$775,500
- Entering a lease-purchase agreement to replace internet routers for the City network, commercial businesses, school district, and residential customers - \$1,630,000

Final Budget Compared to Actual Results:

Total General Fund revenues were \$47.5 million, which is \$2.2 million, or 5%, over the final amended budget. During the fiscal year, the City contained departmental budgets through careful management of City resources and realized salary savings from vacant positions in several departments. As a result, expenditures were \$47.6 million, which is \$1.6 million, or 3% under budget.

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

- Taxes increased by 3%, or \$861,000, due to higher than anticipated revenues in transient occupancy tax, property transfer tax, and redevelopment property transfer tax funds or "boomerang" funds.
- Charges for service was 7% over estimates, or \$244,000. This was mainly the result of higher enrollment in recreation programs and an increase in police security services provided at the YouTube campus.
- Use of Money and Property increased by 68%, or \$848,000. This was the result of investing the City's portfolio to obtain maximum yield more favorable than the prior fiscal year and recognizing the fair value of investment income, or the price that would be received to sell an asset, at the measurement date.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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 constrained by law and further limited 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, 2019, net capital assets of the governmental activities totaled \$68.1 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2018-19 fiscal year, net capital assets for governmental activities increased by \$8.3 million due to additions in excess of depreciation. For business-type activities, capital assets increased by \$4.0 million to \$93.3 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,649,235	\$ 4,649,235	\$ 576,842	\$ 576,842	\$ 5,226,077	\$ 5,226,077
Construction in Progress	17,058,399	12,332,175	12,351,313	12,780,135	29,409,712	25,112,310
Infrastructure	32,833,770	31,843,501	-	-	32,833,770	31,843,501
Sewer Plant	-	-	11,968,134	12,936,619	11,968,134	12,936,619
Buildings & Structures	7,934,158	6,745,065	58,693,437	52,404,077	66,627,595	59,149,142
Machinery & Equipment	5,604,543	4,167,908	9,684,006	10,573,570	15,288,549	14,741,478
Total	\$ 68,080,105	\$ 59,737,884	\$ 93,273,732	\$ 89,271,243	\$ 161,353,837	\$ 149,009,127

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
	2019	2018
Governmental Activities		
2011 Capital Lease Obligation	\$ -	\$ 37,396
2017 Capital Lease Obligation	444,215	616,132
2018 Capital Lease Obligation	1,283,407	-
2013 Pension Obligation Bond	7,808,856	8,644,338
Subtotal Governmental Activities Debt	<u>9,536,478</u>	<u>9,297,866</u>
Business-Type Activities		
Due to South San Francisco - 1997 Loan	2,212,542	2,731,084
Due to South San Francisco - 2007 Loan	2,911,010	3,287,299
2013 Wastewater Revenue Refunding Bond	5,825,258	6,128,133
2017 Wastewater Revenue Bond	26,763,483	27,096,017
2017 Water Revenue Bond	12,700,089	12,861,644
Subtotal Business-Type Activities Debt	<u>50,412,382</u>	<u>52,104,177</u>
Fiduciary Activities		
2000 Certificates of Participation	-	5,995,000
2019 Lease Revenue Bonds	5,299,064	-
Subtotal Fiduciary Activities Debt	<u>5,299,064</u>	<u>5,995,000</u>
Total Long-Term Debt Obligations	<u>\$ 65,247,924</u>	<u>\$ 67,397,043</u>

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 2019-20 budget:

- The adopted budget assumes an 8% increase in total General Fund revenues compared to the prior year amended budget primarily due to projected increases in the City's various tax categories and departmental revenues.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

- Property Taxes - Economic indicators continue to show rising housing values and a relatively high level of property sales activity in San Bruno. As a result, Property Tax revenue is expected to show an increase of approximately 6% over the estimated year end amount for fiscal year 2019-20 to \$11,926,360. The Property Tax amount projected for fiscal year 2019-20 includes \$800,000 of Excess ERAF funds reimbursed to the City each year in increasing amounts over the last 15-years. While the City previously treated this revenue as a one-time resource, this amount can prudently be included in the Operating Budget to avoid the need to reduce regular City services. In fiscal year 2018-19, the City received a total of \$1,245,977 in Excess ERAF funds. Property Tax revenue the City receives following dissolution of the San Bruno Redevelopment Agency in 2012 is also included in Property Tax revenue. These Redevelopment “Boomerang” funds total \$2,012,252 in fiscal year 2019-20. While these funds come to the City as unrestricted Property Tax, this amount does not replace the amount the Redevelopment Agency previously generated for economic development and housing projects.
- Sales tax of 9.25% is assessed on each sale of taxable goods in San Bruno. Of this amount, the City receives 1%. For fiscal year 2019-20 total sales tax revenue is anticipated to increase by 1% over the prior fiscal year estimate to a total of \$7,892,000.
- Transient Occupancy Tax (TOT) in the amount of 12% is collected on room rentals at the 12 lodging establishments in San Bruno. Total TOT (or hotel/motel tax) revenues are anticipated to increase modestly by 1% over the prior fiscal year estimate to \$3,540,275.
- Business License Tax revenue reached a peak of \$2,230,000 in fiscal year 2014-15 as sizeable new businesses relocated in the City. In recent fiscal years, revenue continued to grow modestly each fiscal year and is projected to continue to grow. For fiscal year 2019-20, the amount of increase is expected to rise modestly by 2% over the prior fiscal year estimate to \$2,577,020.
- Use of Money & Property - The equity transfer from the Cable Enterprise represents a significant portion of this revenue category. To address the accumulated Cable Fund deficit, the City changed its historic practice of making the annual “equity transfer” of 10% Cable revenues into the General Fund beginning in fiscal year 2015-16. The equity transfer has been gradually reduced from a high of about \$1,000,000 to \$375,000 in fiscal year 2018-19 and was eliminated in fiscal year 2019-20.
- Departmental Revenue - Three Departments (Police, Building and Recreation) account for 85% of operating Department Revenues in the General Fund. The primary sources of Departmental Revenues are Police Department traffic and parking violation fines, Building Division permit fee revenues and Community Service Department revenues from Recreation programs, classes, and facility rentals. Total Departmental Revenues are projected at \$8,803,119, a 31% increase compared to the fiscal 2018-19 Budget primarily attributable to increased Building revenue from permit activity from development.
- On May 1, 2019, the City’s comprehensive Development Impact Fee (DIF) program took effect. This program requires residential and commercial developers to pay an impact fee that will be used to improve and expand infrastructure throughout the City. Impact fees will be a core revenue source to help fund infrastructure projects in the years to come.
- General Fund expenditures are projected to increase by 4% compared to the fiscal year 2018-19 amended budget. Employee salary and benefits costs represent the largest category of expenditures in the City’s Operating Budget at over 70% of total expenditures. The fiscal year 2019-20 Budget includes salary adjustments in accordance with employee bargaining unit agreements currently in place.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

- Employee retirement benefits total \$8,193,100, or 39% of the cost of employee salaries in the fiscal year 2019-20 budget. This amount represents an increase of \$952,300 compared to the fiscal year 2018-19 budget. The City continues to experience significant impacts from increasing costs for retirement benefits through the CalPERS system.
- 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 multi-year Water and Wastewater rate program adopted by the City Council in May, 2017 provides for an annual 5% rate increase through fiscal year 2021-22. The new rates for fiscal year 2019-20 are reflected in the revenue projections for the coming year's Budget.
- 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 are inadequate to fund ongoing operations and necessary equipment and capital investments to meet federal requirements. The Stormwater Fund is projected to have a negative fund balance beginning in fiscal year 2020-21. The City will be considering other funding sources to fund required operations in the coming years.
- The Cable Fund is expected to generate approximately \$9.9 million in revenue in fiscal year 2019-20, which is flat to the fiscal year 2018-19 adopted budget. The Cable Department recently implemented various cost controls by renegotiating a number of long-standing contracts to enable savings and new lower prices for customers, performance improvements to increase internet capacity, speed, and reliability, and new marketing and market leading packages to increase subscriber growth. The expenditure controls are anticipated to reduce overall expenditures by approximately 15% compared to the fiscal year 2018-19 budget, which are anticipated to result in a net operating surplus in the Cable Department.
- The fiscal year 2019-20 Capital Improvement Program (CIP) identifies 60 funded projects/programs organized in 9 categories. A total of \$223,326,900 in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. A total of \$134,753,700 of this amount is the expected cost of scheduled improvements to the City's water and wastewater systems.
- A total of \$6.1 million is set-aside to meet debt service obligations in fiscal year 2019-20.

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.

<p style="text-align: center;">STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</p>

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, 2019
(with comparative totals for June 30, 2018)

	Governmental	Business-Type	Totals	
	Activities	Activities	2019	2018
ASSETS				
Current assets:				
Cash and investments	\$38,740,179	\$57,512,533	\$96,252,712	\$76,244,371
Cash and investments with fiscal agent	142,515	27,693,026	27,835,541	41,121,818
Receivables (net):				
Taxes	1,620,427		1,620,427	1,478,985
Accounts		5,355,271	5,355,271	4,883,373
Interest	364,050		364,050	237,861
Loans	885,557		885,557	921,627
Other	2,910,817		2,910,817	3,256,407
Prepaid Items				7,302
Internal balances	11,406,214	(11,406,214)		
Total current assets	<u>56,069,759</u>	<u>79,154,616</u>	<u>135,224,375</u>	<u>128,151,744</u>
Noncurrent assets:				
Capital assets not being depreciated:				
Land	4,649,235	576,842	5,226,077	5,226,077
Construction in progress	17,058,399	12,351,313	29,409,712	25,112,310
Capital assets net of accumulated depreciation:				
Buildings and improvements	7,934,158	58,693,437	66,627,595	59,149,142
Machinery, improvements and equipment	5,604,543	9,684,006	15,288,549	14,741,478
Infrastructure	32,833,770		32,833,770	31,843,501
Sewer plant		11,968,134	11,968,134	12,936,619
Total capital assets (net)	<u>68,080,105</u>	<u>93,273,732</u>	<u>161,353,837</u>	<u>149,009,127</u>
Total noncurrent assets	<u>68,080,105</u>	<u>93,273,732</u>	<u>161,353,837</u>	<u>149,009,127</u>
Total assets	<u>124,149,864</u>	<u>172,428,348</u>	<u>296,578,212</u>	<u>277,160,871</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on pensions	15,544,511	1,974,834	17,519,345	23,078,942
Deferred amount on refunding		103,062	103,062	110,424
Total deferred outflows of resources	<u>15,544,511</u>	<u>2,077,896</u>	<u>17,622,407</u>	<u>23,189,366</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	6,921,810	6,084,722	13,006,532	10,738,529
Interest payable	54,291	925,699	979,990	1,082,804
Unearned revenue	963,588	744,519	1,708,107	982,707
Compensated absences - current	486,492	72,866	559,358	516,009
Long-term debt - current	1,338,728	2,009,685	3,348,413	2,736,590
Claims payable - current	1,043,768		1,043,768	943,875
Total current liabilities	<u>10,808,677</u>	<u>9,837,491</u>	<u>20,646,168</u>	<u>17,000,514</u>
Noncurrent liabilities:				
Compensated absences - non-current	2,384,384	328,417	2,712,801	2,984,881
Long-term debt - non-current	8,197,750	48,402,697	56,600,447	58,665,453
Claims payable - non-current	3,368,232		3,368,232	3,388,125
Net pension liability	74,271,150	14,420,237	88,691,387	89,227,724
Total noncurrent liabilities	<u>88,221,516</u>	<u>63,151,351</u>	<u>151,372,867</u>	<u>154,266,183</u>
Total liabilities	<u>99,030,193</u>	<u>72,988,842</u>	<u>172,019,035</u>	<u>171,266,697</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount on pensions	3,093,632	315,148	3,408,780	2,880,776
Total deferred inflows of resources	<u>3,093,632</u>	<u>315,148</u>	<u>3,408,780</u>	<u>2,880,776</u>
NET POSITION				
Net investment in capital assets	66,352,484	42,964,412	109,316,896	96,251,422
Restricted for:				
Capital projects	5,490,177	27,693,026	33,183,203	48,704,365
Debt service	900		900	636
Measure A	1,451,878		1,451,878	1,938,365
Community services	11,591,734		11,591,734	8,600,739
Unrestricted	(47,316,623)	30,544,816	(16,771,807)	(29,292,763)
Total net position	<u>\$37,570,550</u>	<u>\$101,202,254</u>	<u>\$138,772,804</u>	<u>\$126,202,764</u>

See accompanying notes to financial statements

CITY OF SAN BRUNO

Statement of Activities

For the year ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$8,429,310	\$3,713,293	\$3,562,492	\$12,815
Public safety	29,772,551	2,551,241	881,996	
Public works	2,332,672	301,330	113,028	
Streets	3,505,727	17,228	101,065	1,133,232
Parks and recreation	6,147,260	1,683,629	1,314,369	790,567
Library	2,093,683	26,855	19,625	
Community and economic development	2,955,685	2,635,631	447,462	
Interest expense	388,594			
Total governmental activities	55,625,482	10,929,207	6,440,037	1,936,614
Business-type activities:				
Water	11,290,539	17,037,634		
Stormwater	1,677,767	648,323		
Wastewater	11,781,728	17,732,648		
Cable television	12,183,104	9,739,499		
Total business-type activities	36,933,138	45,158,104		
Total primary government	\$92,558,620	\$56,087,311	\$6,440,037	\$1,936,614

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	2019	2018
(\$1,140,710)		(\$1,140,710)	\$7,814,614
(26,339,314)		(26,339,314)	(24,679,735)
(1,918,314)		(1,918,314)	(1,477,048)
(2,254,202)		(2,254,202)	(2,615,393)
(2,358,695)		(2,358,695)	(3,559,379)
(2,047,203)		(2,047,203)	(1,959,274)
127,408		127,408	(1,036,223)
(388,594)		(388,594)	(380,311)
(36,319,624)		(36,319,624)	(27,892,749)
	\$5,747,095	5,747,095	3,895,830
	(1,029,444)	(1,029,444)	(365,959)
	5,950,920	5,950,920	4,367,474
	(2,443,605)	(2,443,605)	(2,508,574)
	8,224,966	8,224,966	5,388,771
(36,319,624)	8,224,966	(28,094,658)	(22,503,978)
11,846,367		11,846,367	10,515,309
3,628,979		3,628,979	3,424,660
1,839,359		1,839,359	1,835,943
8,764,449		8,764,449	8,332,044
1,904,512		1,904,512	1,843,532
2,213,593		2,213,593	2,607,258
4,909,295		4,909,295	4,576,283
1,811,108		1,811,108	1,243,782
2,121,974	\$1,625,062	3,747,036	1,717,020
(720,000)	720,000		
38,319,636	2,345,062	40,664,698	36,095,831
2,000,012	10,570,028	12,570,040	13,591,853
35,570,538	90,632,226	126,202,764	112,610,911
\$37,570,550	\$101,202,254	\$138,772,804	\$126,202,764

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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.

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, 2019
(with comparative totals for June 30, 2018)

	Street Improvement Capital Projects		Non Major Governmental	Totals	
	General	Fund	Funds	2019	2018
ASSETS					
Cash and investments	\$17,338,483	\$3,085,881	\$16,265,312	\$36,689,676	\$38,113,764
Cash and investments with fiscal agent	50,496		900	51,396	51,127
Receivables:					
Taxes	1,454,658		165,769	1,620,427	1,478,985
Interest	364,050			364,050	237,861
Loans	795,557		90,000	885,557	921,627
Other	1,538,110	319,793	1,052,914	2,910,817	3,256,407
Prepaid items					7,302
Interfund balances	12,627,950			12,627,950	11,611,398
Advances to other funds	659,936			659,936	826,268
Total assets	\$34,829,240	\$3,405,674	\$17,574,895	\$55,809,809	\$56,504,739
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$4,711,333	\$1,159,903	\$833,371	\$6,704,607	\$6,657,356
Due to other funds					\$2,989
Unearned revenue	963,588			963,588	205,647
Total liabilities	5,674,921	1,159,903	833,371	7,668,195	6,865,992
Deferred Inflows of Resources:					
Unavailable revenue			452,606	452,606	
Total deferred inflows of resources			452,606	452,606	
Fund balances:					
Nonspendable					
Restricted		2,245,771	16,288,918	18,534,689	18,264,533
Committed	22,918,047			22,918,047	25,180,759
Assigned	1,101,021			1,101,021	143,505
Unassigned	5,135,251			5,135,251	6,049,950
Total fund balances	29,154,319	2,245,771	16,288,918	47,689,008	49,638,747
Total liabilities, deferred inflows of resources and fund balances	\$34,829,240	\$3,405,674	\$17,574,895	\$55,809,809	\$56,504,739

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, 2019

Total fund balances - total governmental funds \$47,689,008

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. 68,066,842

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	2,050,503
Cash and investments with trustee	91,119
Capital Assets	13,263
Accounts payable	(217,203)
Liability for claims	(4,412,000)
Compensated absences	(86,554)
Net amount allocated to business-type activities	(1,881,672)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available
currently are taken into revenue in the Statement of Activities. 452,606

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	(7,808,857)
Leases payable	(1,727,621)
Accrued interest payable	(54,291)
Compensated absences	(2,784,322)
Net pension liability	(74,271,150)
Deferred outflows of resources related to pensions	15,544,511
Deferred inflows of resources related to pensions	(3,093,632)

Net position of governmental activities \$37,570,550

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, 2019
(with comparative totals for the year ended June 30, 2018)

	Street Improvement Capital Projects		Non Major Governmental	Totals	
	General	Fund	Funds	2019	2018
REVENUES:					
Taxes	\$27,273,131		\$2,910,863	\$30,183,994	\$27,836,907
Licenses and permits	4,218,398		589,121	4,807,519	3,893,645
Intergovernmental	5,078,137	\$739,014	375,974	6,193,125	5,441,457
Charges for services	3,689,192			3,689,192	3,301,524
Fines and forfeitures	916,907		428,141	1,345,048	7,009,636
Use of money and property	2,098,328		178,865	2,277,193	1,189,135
Other revenues	4,190,989	394,218	4,811,610	9,396,817	11,436,819
Total revenues	47,465,082	1,133,232	9,294,574	57,892,888	60,109,123
EXPENDITURES:					
Current:					
General government	5,774,940		376,658	6,151,598	6,220,529
Public safety	26,331,722		207,021	26,538,743	24,877,089
Public works	1,255,226			1,255,226	984,844
Streets	1,532,953		72,983	1,605,936	1,494,003
Parks and recreation	5,595,625		199,602	5,795,227	5,717,215
Library	2,044,976		22,717	2,067,693	2,038,896
Community and economic development	2,885,067		49,069	2,934,136	2,856,118
Capital outlay	2,195,010	6,268,780	4,185,712	12,649,502	8,675,937
Debt service:					
Principal			1,411,245	1,411,245	1,035,038
Interest and fiscal charges			343,660	343,660	363,591
Total expenditures	47,615,519	6,268,780	6,868,667	60,752,966	54,263,260
REVENUES OVER (UNDER)					
EXPENDITURES	(150,437)	(5,135,548)	2,425,907	(2,860,078)	5,845,863
OTHER FINANCING SOURCES (USES):					
Transfers in	1,799,848	2,954,291	3,650,364	8,404,503	8,730,402
Transfers out	(5,410,364)	(337,891)	(3,376,248)	(9,124,503)	(8,413,003)
Capital lease	1,630,339			1,630,339	
Total other financing sources (uses)	(1,980,177)	2,616,400	274,116	910,339	317,399
Net change in fund balances	(2,130,614)	(2,519,148)	2,700,023	(1,949,739)	6,163,262
FUND BALANCES:					
Beginning of year	31,284,933	4,764,919	13,588,895	49,638,747	43,475,485
End of year	\$29,154,319	\$2,245,771	\$16,288,918	\$47,689,008	\$49,638,747

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, 2019

Net change in fund balances- total governmental funds (\$1,949,739)

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	12,649,502
Amounts charged to Public Works	(1,047,378)
Retirements are deducted from fund balance	-
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of \$5,350 which has already been allocated to internal service funds.)	(3,254,555)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Capital lease obligation other financing sources	(1,630,339)
Capital lease obligation principal payments	556,246
Pension obligation bond principal payments and discount amortization	854,999
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	(25,416)
Unavailable revenue	452,606
Compensated absences	224,208
Net pension liability, deferred inflows and deferred outflows	(4,564,710)

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	(245,894)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$2,000,012
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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 2019.

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.

CABLE TELEVISION FUND

To account for operating costs associated with administering the cable television franchise and capital improvement.

CITY OF SAN BRUNO
Statement of Net Position
Proprietary Funds
June 30, 2019
(with comparative totals for June 30, 2018)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$28,532,888	\$2,009,822	\$26,969,823
Cash and investments with fiscal agent/trustee	9,979,309		17,713,717
Accounts receivable	2,301,814	6,600	2,203,592
Total current assets	40,814,011	2,016,422	46,887,132
Noncurrent assets:			
Non-depreciable capital assets	3,116,406	899,944	8,411,805
Depreciable capital assets	29,234,965	3,913,881	44,165,631
Total noncurrent assets	32,351,371	4,813,825	52,577,436
Total assets	73,165,382	6,830,247	99,464,568
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on pension	630,875	85,240	568,467
Deferred amount on refunding			103,062
Total deferred outflows of resources	630,875	85,240	671,529
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,732,132	343,483	3,092,062
Interest payable	237,200		688,499
Unearned revenue			
Compensated absences - current	18,963	4,527	11,777
Liability for claims - current			
Long term debt - due within one year	251,555		1,758,130
Total current liabilities	2,239,850	348,010	5,550,468
Noncurrent liabilities:			
Advances from other funds			
Interfund balances			
Compensated absences - noncurrent	96,049	17,606	64,829
Long term debt - due in more than one year	12,448,534		35,954,163
Liability for claims - non-current			
Net pension liability	4,606,647	622,425	4,150,947
Total noncurrent liabilities	17,151,230	640,031	40,169,939
Total liabilities	19,391,080	988,041	45,720,407
DEFERRED INFLOW OF RESOURCES			
Deferred amount on pension	100,676	13,603	90,717
Total deferred inflows of resources	100,676	13,603	90,717
Net Position			
Net investment in capital assets	19,651,282	4,813,825	14,865,143
Restricted for capital projects	9,979,309		17,713,717
Unrestricted (deficit)	24,673,910	1,100,018	21,746,113
Total net position	\$54,304,501	\$5,913,843	\$54,324,973
Reconciliation to government-wide statement of net position:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$998,963	\$82,721	\$21,338
Net position of business-type activities	\$55,303,464	\$5,996,564	\$54,346,311

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2019	2018	2019	2018
	\$57,512,533	\$35,650,947	\$2,050,503	\$2,479,660
	27,693,026	40,979,572	91,119	91,119
\$843,265	5,355,271	4,870,596		12,777
843,265	90,560,830	81,501,115	2,141,622	2,583,556
500,000	12,928,155	13,356,977		
3,031,100	80,345,577	75,914,266	13,263	18,611
3,531,100	93,273,732	89,271,243	13,263	18,611
4,374,365	183,834,562	170,772,358	2,154,885	2,602,167
690,252	1,974,834	3,169,050		
	103,062	110,424		
690,252	2,077,896	3,279,474		
917,045	6,084,722	3,750,446	217,203	330,727
	925,699	1,053,929		
744,519	744,519	777,060		
37,599	72,866	79,014	20,979	20,350
	2,009,685	1,691,794	1,043,768	943,875
1,699,163	9,837,491	7,352,243	1,281,950	1,294,952
659,936	659,936	826,268		
12,627,950	12,627,950	11,608,409		
149,933	328,417	317,400	65,575	75,596
	48,402,697	50,412,383		
5,040,218	14,420,237	14,806,776	3,368,232	3,388,125
18,478,037	76,439,237	77,971,236	3,433,807	3,463,721
20,177,200	86,276,728	85,323,479	4,715,757	4,758,673
110,152	315,148	136,271		
110,152	315,148	136,271		
3,531,100	42,861,350	37,167,066	13,263	18,611
	27,693,026	40,979,572		
(18,753,835)	28,766,206	10,445,444	(2,574,135)	(2,175,117)
(\$15,222,735)	\$99,320,582	\$88,592,082	(\$2,560,872)	(\$2,156,506)
\$778,650	\$1,881,672	\$2,040,144		
(\$14,444,085)	\$101,202,254	\$90,632,226		

CITY OF SAN BRUNO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$16,185,195		
Sewer service charges			\$17,684,479
Cable television charges			
Other service charges	848,396	\$561,318	37,501
Other operating revenue	4,043	87,005	10,668
Total operating revenues	17,037,634	648,323	17,732,648
OPERATING EXPENSES:			
Water supply	9,032,331		
Distribution		1,483,116	
Customer accounting			
Treatment			8,039,977
Cable operations			
Central garage			
Insurance expenses			
Technology support			
Facilities maintenance			
Depreciation and amortization	1,758,845	188,951	2,373,782
Total operating expenses	10,791,176	1,672,067	10,413,759
OPERATING INCOME (LOSS)	6,246,458	(1,023,744)	7,318,889
NONOPERATING REVENUES (EXPENSES):			
Investment income	683,888	30,369	910,805
Interest and debt service expenses	(437,560)		(1,296,191)
Total non-operating revenues (expenses), net	246,328	30,369	(385,386)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	6,492,786	(993,375)	6,933,503
Transfers in		770,000	
Transfers out	(25,000)		(25,000)
CHANGE IN NET POSITION	6,467,786	(223,375)	6,908,503
NET POSITION:			
Beginning of year	47,836,715	6,137,218	47,416,470
End of year	\$54,304,501	\$5,913,843	\$54,324,973
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(\$61,803)	(\$5,700)	(\$71,778)
Change in net position of business-type activities - End of year	\$6,405,983	(\$229,075)	\$6,836,725

See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided			
Cash receipts from customers	\$16,650,275	\$648,323	\$17,598,540
Cash payments to suppliers for goods and services	(8,859,183)	(1,159,934)	(6,391,177)
Cash (payments) receipts to employees for services	324,991	45,436	263,751
Net cash provided by (used by) operating activities	8,116,083	(466,175)	11,471,114
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments to other funds			
Transfers received from other funds		770,000	
Transfers paid to other funds	(25,000)		(25,000)
Net cash provided by noncapital financing activities	(25,000)	770,000	(25,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from bond issue			
Acquisition and construction of capital assets	(1,401,625)	(176,979)	(7,766,026)
Principal payments on long-term debt	(161,555)		(1,512,364)
Interest paid on long-term debt	(472,554)		(1,399,940)
Net cash (used) by capital and related financing activities	(2,035,734)	(176,979)	(10,678,330)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (expense)	683,888	30,369	910,804
Net cash provided by investing activities	683,888	30,369	910,804
Net increase (decrease) in cash and cash equivalents	6,739,237	157,215	1,678,588
CASH AND CASH EQUIVALENTS:			
Beginning of year	31,772,960	1,852,607	43,004,952
End of year	\$38,512,197	\$2,009,822	\$44,683,540
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Cash and investments	\$28,532,888	\$2,009,822	\$26,969,823
Cash and investments held by trustees	9,979,309		17,713,717
Total Cash and Cash Equivalents, End of Year	\$38,512,197	\$2,009,822	\$44,683,540
Reconciliation of income (loss) from operations to net cash provided by (used for) operating activities:			
Operating income (loss)	\$6,246,458	(\$1,023,744)	\$7,318,889
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,758,845	188,951	2,373,782
(Increase) decrease in current assets:			
Accounts receivable	(387,359)		(134,108)
Prepaid items			
Due from other funds			
(Increase) decrease in deferred outflows of resources	381,500	51,547	343,762
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	173,148	323,182	1,648,800
Due to other funds			
Unearned revenue			
Compensated absences	9,830	2,852	(20,234)
Net Pension liability	(123,482)	(16,684)	(111,268)
Increase (decrease) in claims liability - noncurrent			
Increase (decrease) in deferred inflows of resources	57,143	7,721	51,491
Net cash provided by (used for) operating activities	\$8,116,083	(\$466,175)	\$11,471,114
NON-CASH ACTIVITIES			
Amortization of bond premiums			\$17,875
Amortization of deferred amount of refunding			(7,362)
Total non-cash activities			\$10,513

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2019	2018	2019	2018
\$1,019,541	\$1,019,541	\$2,093,932	\$5,063,426	\$4,915,369
9,743,750	44,640,888	42,600,577		
(10,799,699)	(27,209,993)	(28,085,530)	(5,492,581)	(5,677,514)
357,245	991,423	1,137,604		
320,837	19,441,859	17,746,583	(429,155)	(762,145)
(166,332)	(166,332)	(165,460)		
	770,000	751,601		
	(50,000)	(1,069,000)		
(166,332)	553,668	(482,859)		
		39,957,661		
(150,567)	(9,495,197)	(11,320,142)	(2)	(1)
	(1,673,919)	(1,152,513)		
	(1,872,494)	(1,064,208)		
(150,567)	(13,041,610)	26,420,798	(2)	(1)
(3,938)	1,621,123	553,090		
(3,938)	1,621,123	553,090		
	8,575,040	44,237,612	(429,157)	(762,146)
	76,630,519	32,392,907	2,570,779	3,332,925
	\$85,205,559	\$76,630,519	\$2,141,622	\$2,570,779
	\$57,512,533	\$35,650,947	\$2,050,503	\$2,479,660
	27,693,026	40,979,572	91,119	91,119
	\$85,205,559	\$76,630,519	\$2,141,622	\$2,570,779
(\$2,420,476)	\$10,121,127	\$7,906,657	(\$404,366)	(\$1,598,614)
1,171,130	5,492,708	5,431,606	5,350	12,193
36,792	(484,675)	(88,893)	12,777	(12,777)
		85,288		2,860
417,407	1,194,216	(404,845)		
189,146	2,334,276	1,180,805	(113,524)	188,606
1,019,541	1,019,541	2,093,932		
(32,541)	(32,541)	(416)		
12,421	4,869	(165,386)	(9,392)	(34,413)
(135,105)	(386,539)	1,728,257	80,000	680,000
62,522	178,877	(20,422)		
\$320,837	\$19,441,859	\$17,746,583	(\$429,155)	(\$762,145)

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FIDUCIARY FUNDS

Redevelopment Agency Obligation Retirement Trust Fund 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. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the San Bruno Redevelopment Agency was dissolved February 1, 2012.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the government – wide financial statements, but are presented in separate Fiduciary Fund financial statement.

CITY OF SAN BRUNO
Statement of Net Position
Fiduciary Funds
June 30, 2019
(with comparative totals for June 30, 2018)

	Redevelopment Agency Obligation		Agency Funds	
	Retirement Trust Fund			
	2019	2018	2019	2018
ASSETS				
Cash and investments	\$1,839,074	\$1,869,246	\$803,201	\$1,330,788
Cash and investments with fiscal agent/trustee	8,516	653,717		
Accounts receivable			549,159	540,595
Total assets	\$1,847,590	\$2,522,963	\$1,352,360	\$1,871,383
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding	44,573			
Total deferred outflows of resources	44,573			
LIABILITIES				
Accounts payable	\$189,231	\$179,545	\$1,533,872	\$1,077,956
Interest payable	39,977	131,001		
Other liabilities			(181,512)	793,427
Certificates of Participation - due in one year		335,000		
Certificates of Participation - due in more than one year		5,660,000		
Bonds Payable - due in one year	342,422			
Bonds Payable - due in more than one year	4,956,642			
Total liabilities	\$5,528,272	\$6,305,546	\$1,352,360	\$1,871,383
NET POSITION				
Restricted net position held in trust	(\$3,636,109)	(\$3,782,583)		

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, 2019
(with comparative totals for June 30, 2018)

	Redevelopment Agency Obligation Retirement Trust Fund	
	2019	2018
ADDITIONS		
Administration allowance	\$41,238	\$42,249
Taxes	794,070	1,940,005
Other revenues	9,758	5,830
TOTAL ADDITIONS	845,066	1,988,084
DEDUCTIONS		
Community development	481,999	252,925
Interest and fiscal charges	223,378	323,774
TOTAL DEDUCTIONS	705,377	576,699
OTHER FINANCING SOURCES (USES):		
Other financing sources	6,785	
TOTAL FINANCING SOURCES	6,785	
CHANGES IN NET POSITION	146,474	1,411,385
NET POSITION - Beginning of the year	(3,782,583)	(5,193,968)
NET POSITION - End of the year	(\$3,636,109)	(\$3,782,583)

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, 2019

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

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 funds of the financial reporting entity are described below:

Governmental Activities

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. The General Fund supports the City's general operating expenditures, fixed charges, and capital costs that are not paid through other funds. During the year ended June 30, 2019, the Emergency Disaster Reserve Fund was grouped with the General Fund.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted or committed to expenditures for particular purposes.

Capital Project Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Debt Service Funds

The Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than those serviced by proprietary funds.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business-type Activities

Enterprise 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.

Major Enterprise Funds

The 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.

The 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.

The 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.

The Cable Television Fund accounts for operating costs associated with administering the cable television franchise.

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

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds, which are Project Development and Recology San Bruno. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

Trust Funds

Trust funds are used to account for the assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the City's own programs. The City's private purpose trust fund is the Redevelopment Agency Obligation Retirement Trust Fund.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2019

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, 2019**

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	\$3,104,476	\$396,414	\$3,500,890
Additions	600,428	92,971	693,399
Payments	(834,028)	(88,102)	(922,130)
Ending Balance	\$2,870,876	\$401,283	\$3,272,159
Current Portion	\$486,492	\$72,866	\$559,358

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, 2019

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, 2019

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 Data

Selected information regarding the prior year has been included in the accompanying financial statements. 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, Major Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
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, 2019 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, 2019

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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 (except CD’s which are maintained by the City).

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, 2019, consist of the following:

<i>Statement of Net Position</i>	Amount
Cash and investments	\$96,252,712
Restricted cash and investments held by fiscal agents	27,835,541
Total cash and investments in primary government	124,088,253
<i>Statements of Fiduciary Net Position</i>	
Cash and investments:	
Private Purpose Trust Funds	1,839,074
Agency Fund	803,201
Restricted cash and investments held by fiscal agents:	
Private Purpose Trust Funds	8,516
Total cash and investments in fiduciary	2,650,791
Total cash and investments	\$126,739,044

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, 2019**

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, 2019, 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, 2019, 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, 2019**

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	13 to 24 Months	25 to 60 Months	Total
U.S. Agency Securities:				
Federal Farm Credit Bank	\$6,000,710	\$1,993,500		\$7,994,210
Federal Home Loan Bank	2,025,300	4,002,840	\$2,006,000	8,034,140
Federal Home Loan Mortgage Corporation		5,005,210	2,002,040	7,007,250
Local Agency Investment Fund	20,149,006			20,149,006
San Mateo County Investment Pool	34,042,816			34,042,816
Money Market Funds	32,864,670			32,864,670
US Treasury Bills	3,983,280			3,983,280
Subtotal Investments	<u>\$99,065,782</u>	<u>\$11,001,550</u>	<u>\$4,008,040</u>	114,075,372
Cash in banks and on hand				<u>12,663,672</u>
Total Cash and Investments				<u>\$126,739,044</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are U.S. Treasuries, Federal Agency obligations, time deposits, negotiable certificates of deposits, commercial paper, corporate bonds, and security loans. At June 30, 2019, these investments had a weighted average maturity of 173 days.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 1.0026. 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, 2019:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
U.S. Agency Securities:			
Federal Farm Credit Bank		\$7,994,210	\$7,994,210
Federal Home Loan Bank		8,034,140	8,034,140
Federal Home Loan Mortgage Corporation		7,007,250	7,007,250
US Treasury Bills	\$3,983,280		3,983,280
Total Investments	\$3,983,280	\$23,035,600	27,018,880
 <i>Investments Measured at Amortized Cost:</i>			
Local Agency Investment Fund (LAIF)			20,149,006
San Mateo County Investment Pool			34,042,816
Money Market Mutual Fund			32,864,670
Cash in banks and on hand			12,663,672
Total Cash and investments			\$126,739,044

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, 2019**

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, 2019, for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa/Aaa-mf	Total
U.S. Agency Securities:		
Federal Farm Credit Bank	\$7,994,210	\$7,994,210
Federal Home Loan Bank	8,034,140	8,034,140
Federal Home Loan Mortgage Corporation	7,007,250	7,007,250
Money Market Funds	32,864,670	32,864,670
Totals	\$55,900,270	55,900,270
Not Rated:		
US Treasury Bills		3,983,280
Local Agency Investment Fund (LAIF)		20,149,006
San Mateo County Investment Pool		34,042,816
Total Investments		\$114,075,372

F. Concentration of Credit Risk

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, San Mateo County Investment Pool and California Local Agency Investment Funds that represent 5% or more of total City-wide investments are as follows at June 30, 2019:

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal Agencies Securities	\$7,994,210
Federal Home Loan Bank	Federal Agencies Securities	8,034,140
Federal Home Loan Mortgage Corporation	Federal Agencies Securities	7,007,250

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Non-Major Governmental Funds Streets Improvement Capital Fund	\$1,461,957 (A) & (D) 337,891 (A)
Streets Improvement Capital Fund	General Fund Non-Major Governmental Funds	1,040,000 (B) 1,914,291 (B)
Non-Major Governmental Funds	General Fund Water Fund Wastewater Fund	3,600,364 (B) & (C) 25,000 (B) 25,000 (B)
Stormwater Enterprise Fund	General Fund	770,000 (A) & (B)
Total Interfund Transfers		\$9,174,503

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

B. Interfund Balances

Interfund balances arise in the normal course of business. The Cable Enterprise Fund has had a negative cash balance for multiple fiscal years. The City is developing a plan to repay the General Fund the balance due beginning in fiscal year ending June 30, 2021 that will be included in the Fiscal Year 2020-21 budget. At June 30, 2019, interfund balances comprised the following:

Due To Other Funds	Due From Other Funds	Amount
General Fund	Cable Enterprise Fund	\$12,627,950

C. Interfund Advances

Fund Receiving Advance	Fund Making Advance	Amount of Advance
Cable Enterprise Fund	General Fund	\$659,936

During fiscal year 2016, the General Fund loaned the Cable Television 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.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 - CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Governmental activities					
Capital assets not being depreciated:					
Land	\$4,649,235				\$4,649,235
Construction in progress	12,332,175	\$8,508,612	(\$1,127,702)	(\$2,654,686)	17,058,399
Total capital assets not being depreciated	16,981,410	8,508,612	(1,127,702)	(2,654,686)	21,707,634
Capital assets being depreciated:					
Buildings and improvements	14,911,982	39,028		1,652,393	16,603,403
Machinery, improvements and equipment	14,443,076	2,137,423	(110,244)	183,230	16,653,485
Infrastructure	79,275,253	2,044,763		819,063	82,139,079
Total capital assets being depreciated	108,630,311	4,221,214	(110,244)	2,654,686	115,395,967
Less accumulated depreciation for:					
Buildings and improvements	8,166,917	502,328			8,669,245
Machinery, improvements and equipment	10,275,168	884,018	(110,244)		11,048,942
Infrastructure	47,431,752	1,873,557			49,305,309
Total accumulated depreciation	65,873,837	3,259,903	(110,244)		69,023,496
Net governmental-type activities					
Capital assets being depreciated	42,756,474	961,311		2,654,686	46,372,471
Governmental activity capital assets, net	\$59,737,884	\$9,469,923	(\$1,127,702)		\$68,080,105
	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Business-type activities:					
Capital assets not being depreciated:					
Land	\$576,842				\$576,842
Construction in progress	12,780,135	\$8,931,393	(\$380,321)	(\$8,979,894)	12,351,313
Total capital assets not being depreciated	13,356,977	8,931,393	(380,321)	(8,979,894)	12,928,155
Capital assets being depreciated:					
Buildings and improvements	74,666,382	716,518		8,029,842	83,412,742
Machinery, improvements and equipment	32,273,034	181,437	(\$263,363)	950,052	33,141,160
Sewer plant	26,986,308	110,958			27,097,266
Total capital assets being depreciated	133,925,724	1,008,913	(263,363)	8,979,894	143,651,168
Less accumulated depreciation for:					
Buildings and improvements	22,262,305	2,457,000			24,719,305
Machinery, improvements and equipment	21,699,464	1,956,265	(198,575)		23,457,154
Sewer plant	14,049,689	1,079,443			15,129,132
Total accumulated depreciation	58,011,458	5,492,708	(198,575)		63,305,591
Net capital assets being depreciated	75,914,266	(4,483,795)	(64,788)	8,979,894	80,345,577
Business-type activity capital assets, net	\$89,271,243	\$4,447,598	(\$445,109)		\$93,273,732

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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	\$499,551
Public safety	531,333
Public works	22,344
Streets	1,859,129
Parks and recreation	308,408
Library	20,879
Community and economic development	12,909
Internal service funds	5,350
Total	<u>\$3,259,903</u>
Business-Type Activities	Amount
Water	\$1,758,845
Stormwater	188,951
Wastewater	2,373,782
Cable television	1,171,130
Total	<u>\$5,492,708</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

A. The City's Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Amount due within one year
Governmental Activity - Bonds:					
2013 Pension Obligation Bond	\$8,820,000		(\$855,000)	\$7,965,000	\$880,000
Discount on Pension Obligation Bond	(175,662)		19,518	(156,144)	(19,518)
Total Governmental Activities - Bonds	<u>8,644,338</u>		<u>(835,482)</u>	<u>7,808,856</u>	<u>860,482</u>
Governmental Activity - Direct Borrowings:					
2011 Capital Lease Obligation	37,396		(37,396)		
2017 Capital Lease Obligation	616,132		(171,917)	444,215	175,183
2018 Capital Lease Obligation		\$1,630,339	(346,932)	1,283,407	303,063
Total Governmental Activities - Direct Borrowings	<u>653,528</u>	<u>1,630,339</u>	<u>(556,245)</u>	<u>1,727,622</u>	<u>478,246</u>
Total Governmental Activities	<u>\$9,297,866</u>	<u>\$1,630,339</u>	<u>(\$1,391,727)</u>	<u>\$9,536,478</u>	<u>\$1,338,728</u>
Business-Type Activity - Bonds:					
2017 Water Revenue Bond	\$11,615,000		(\$120,000)	\$11,495,000	\$210,000
Premium of Revenue Bond	1,246,644		(41,555)	1,205,089	41,555
2017 Wastewater Revenue Bond	24,470,000		(245,000)	24,225,000	440,000
Premium on Revenue Bond	2,626,017		(87,534)	2,538,483	87,534
2013 Wastewater Refunding Revenue Bond	5,860,000		(285,000)	5,575,000	295,000
Premium on Refunding Bond	268,133		(17,875)	250,258	17,875
Total Business-Type Activities - Bonds	<u>46,085,794</u>		<u>(796,964)</u>	<u>45,288,830</u>	<u>1,091,964</u>
Business-Type Activity - Direct Borrowing:					
Due to City of South San Francisco					
1997 Loan	2,731,084		(518,542)	2,212,542	532,025
2007 Loan	3,287,299		(376,289)	2,911,010	385,696
Total Business-Type Activities - Direct Borrowings	<u>6,018,383</u>		<u>(894,831)</u>	<u>5,123,552</u>	<u>917,721</u>
Total Business-Type Activities	<u>\$52,104,177</u>		<u>(\$1,691,795)</u>	<u>\$50,412,382</u>	<u>\$2,009,685</u>

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, 2019**

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 2018-19, the City made principal and interest payments totaling \$855,000 and \$324,931, 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
2020	\$880,000	\$300,350	\$1,180,350
2021	905,000	271,750	1,176,750
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
2025-2027	3,265,000	264,600	3,529,600
Subtotal	7,965,000	1,454,750	9,419,750
Less Discount	(156,144)		(156,144)
Total	\$7,808,856	\$1,454,750	\$9,263,606

Capital Lease Obligations

During August 2011, the City entered into a \$540,306 capital lease-purchase agreement with JP Morgan Chase Bank, N.A. to finance a fire truck. Principal and interest payments are due annually on September 15 with an interest rate of 2.95%. Payments are made out of the debt service fund. During fiscal year 2018-19 The City made principal and interest payments totaling \$37,395 and \$1,103, respectively. As of June 30, 2019 the capital lease has been fully repaid.

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 2018-19 The City made principal and interest payments totaling \$171,918 and \$10,836, respectively. The lease purchase agreement will be 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
2020	\$175,183	\$7,572	\$182,755
2021	178,509	4,245	182,754
2022	90,523	855	91,378
Total	\$444,215	\$12,672	\$456,887

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 2018-19, the City made principal and interest payments totaling \$346,932 and \$5,095, 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
2020	\$303,063	\$48,963	\$352,026
2021	314,625	37,401	352,026
2022	326,629	25,398	352,027
2023	339,090	12,937	352,027
Total	<u>\$1,283,407</u>	<u>\$124,699</u>	<u>\$1,408,106</u>

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 2018-19, the City made principal and interest payments totaling \$120,000 and \$474,400, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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
2020	\$210,000	\$468,100	\$678,100
2021	215,000	461,650	676,650
2022	220,000	452,850	672,850
2023	230,000	443,650	673,650
2024	240,000	434,050	674,050
2025-2029	1,380,000	1,970,250	3,350,250
2030-2034	1,760,000	1,569,500	3,329,500
2035-2039	2,160,000	1,181,400	3,341,400
2040-2044	2,600,000	712,000	3,312,000
2045-2048	2,480,000	153,400	2,633,400
Subtotal	11,495,000	7,846,850	19,341,850
Add Premium	1,205,089		1,205,089
Total	\$12,700,089	\$7,846,850	\$20,546,939

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 2018-19, the City made principal and interest payments totaling \$245,000 and \$999,700, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year Ending June 30	2017 Wastewater Revenue		
	Principal	Interest	Total
2020	\$440,000	\$986,500	\$1,426,500
2021	455,000	972,850	1,427,850
2022	470,000	954,050	1,424,050
2023	485,000	934,650	1,419,650
2024	505,000	914,450	1,419,450
2025-2029	2,905,000	4,151,000	7,056,000
2030-2034	3,705,000	3,308,250	7,013,250
2035-2039	4,555,000	2,490,200	7,045,200
2040-2044	5,480,000	1,501,000	6,981,000
2045-2048	5,225,000	323,800	5,548,800
Subtotal	24,225,000	16,536,750	40,761,750
Add Premium	2,538,483		2,538,483
Total	<u>\$26,763,483</u>	<u>\$16,536,750</u>	<u>\$43,300,233</u>

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 2018-19, the City made principal and interest payments totaling \$285,000 and \$247,575 respectively. The bonds mature on July 1, 2032.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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
2020	\$295,000	\$235,775	\$530,775
2021	310,000	222,600	532,600
2022	320,000	211,800	531,800
2023	335,000	196,726	531,726
2024	345,000	179,476	524,476
2025-2029	2,015,000	617,223	2,632,223
2029-2033	1,955,000	136,350	2,091,350
Subtotal	5,575,000	1,799,950	7,374,950
Add Premium	250,258		250,258
Total	\$5,825,258	\$1,799,950	\$7,625,208

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 2018-19, the City made principal and interest payments totaling \$894,831 and \$139,264, 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, 2019**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year Ending June 30	1997 Loan South San Francisco		
	Principal	Interest	Total
2020	\$532,025	\$57,526	\$589,551
2021	545,858	43,693	589,551
2022	560,050	29,501	589,551
2023	574,609	14,939	589,548
Total	\$2,212,542	\$145,659	\$2,358,201

For The Year Ending June 30	2007 Loan South San Francisco		
	Principal	Interest	Total
2020	\$385,696	\$72,775	\$458,471
2021	395,338	63,133	458,471
2022	405,221	53,250	458,471
2023	415,352	43,119	458,471
2024	425,736	32,735	458,471
2025-2026	883,667	33,274	916,941
Total	\$2,911,010	\$298,286	\$3,209,296

Fiduciary Funds:

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Amount due within one year
2000 Certificates of Participation	\$5,995,000		(\$5,995,000)		
2019 Lease Revenue Bonds		\$4,670,000		4,670,000	\$290,000
Premium on Refunding Bond		629,064		629,064	52,422
Total Fiduciary Activity	\$5,995,000	\$5,299,064	(\$5,995,000)	\$5,299,064	\$342,422

2019 Lease Revenue Bonds

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%. Payments will begin in fiscal year 2019-20.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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
2020	\$290,000	\$218,056	\$508,056
2021	325,000	184,650	509,650
2022	340,000	171,650	511,650
2023	350,000	158,050	508,050
2024	365,000	144,050	509,050
2025 - 2029	2,055,000	489,850	2,544,850
2030 - 2031	945,000	71,500	1,016,500
Subtotal	4,670,000	1,437,806	6,107,806
Add Premium	629,064		
Total	\$5,299,064	\$1,437,806	\$6,107,806

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, 2019

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, 2019

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	\$1,101,021
Street Improvement Capital Projects	1,329,535
Total Major Funds	2,430,556
Non-Major Funds:	
Parks and Facilities Capital Improvement	5,713,194
Other non-major funds	548,156
Total Non-Major Funds	6,261,350
Total	\$8,691,906

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s fund balances, as of June 30, 2019, are below:

Fund Balance Classifications	General Fund	Street Improvement Capital Projects Fund	Other Governmental Funds	Total
Restricted for:				
Disaster recovery			564,080	564,080
Special Revenue Programs			10,906,327	10,906,327
Capital Projects		\$2,245,771	4,132,204	6,377,975
Affordable Housing Activities			685,407	685,407
Debt Service			900	900
Total Restricted Fund Balances		<u>2,245,771</u>	<u>16,288,918</u>	<u>18,534,689</u>
Committed to:				
General Fund Contingency	\$1,500,000			1,500,000
General Fund Reserve	12,555,916			12,555,916
Capital Improvement/One-Time Initiative Reserve	5,659,441			5,659,441
Emergency Disaster Reserve	3,202,690			3,202,690
Total Committed Fund Balances	<u>22,918,047</u>			<u>22,918,047</u>
Assigned to:				
Contractual commitments	1,101,021			1,101,021
Total Assigned Fund Balances	<u>1,101,021</u>			<u>1,101,021</u>
Unassigned	<u>5,135,251</u>			<u>5,135,251</u>
Total Unassigned Fund Balances	<u>5,135,251</u>			<u>5,135,251</u>
Total Fund Balances	<u>\$29,154,319</u>	<u>\$2,245,771</u>	<u>\$16,288,918</u>	<u>\$47,689,008</u>

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

E. Minimum Fund Balance Policies

The City established a reserve policy in January 2013 that created reserve funds to ensure the financial stability of the City, provide resources in the event of an emergency, and create a funding source for one-time capital projects and initiatives. The reserve funds are as follows:

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

The General Fund Reserve can only be utilized through resolution of the City Council. Appropriations of these funds will be 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.
- One-time, non-recurring initiatives of the City Council deemed of significant importance to the City.

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

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

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.

Capital Improvement/One-Time Initiative Reserve – A Capital Improvement/One-Time Initiative Reserve Fund shall be established with a goal of obtaining an initial fund balance of \$5 million. This fund would be used for projects and initiatives throughout the City that have no other identifiable funding source.

The Capital Improvement/One-Time Initiative Reserve can only be utilized through resolution of the City Council. While this fund has an initial goal of \$5 million, funds shall continue to be added to this fund until it has reached a fund balance of \$8 million.

Internal Service Funds: Central Garage, Building and Facilities, Technology Reserves – The Central Garage, Building and Facilities, and Technology Reserves shall be funded at a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency. Once the Internal Service Funds Reserves have been funded at the target amount, all fund balance in excess of this amount can be used to fund one-time initiatives and/or to provide a reduction in allocations from departments in times of budget reductions.

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6 – NET POSITION AND FUND BALANCES (Continued)

F. Net Position Deficits

The City has a deficit net position of \$15,222,735 in the Cable Enterprise Fund, which will be funded through additional revenues expected from offering higher margin cable and internet packages and expense reductions. The City also has a deficit net position of \$2,806,981 in the Self Insurance Internal Service Fund, which will be funded by future cost allocations from other funds.

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, 2019, claims payable are as follows:

Beginning balance of claims payable	\$4,332,000
Changes to estimated claims liability	1,307,149
Claims paid	<u>(1,227,149)</u>
Ending balance of claims payable	<u>\$4,412,000</u>
Current Portion	<u>\$1,043,768</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

Actuarial Assumptions and Discount Rate

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liabilities were determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
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	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

(1) The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75 percent to 2.50 percent.

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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of 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 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 equivalent 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. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
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) An expected inflation of 2.0% is used this period.

(b) 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, 2019**

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	\$5,953,782	\$43,474,515	(\$950,115)	\$2,974,284
Safety	11,565,563	45,216,872	(2,458,665)	2,576,979
Total	\$17,519,345	\$88,691,387	(\$3,408,780)	\$5,551,263

A summary of the changes in net pension liability by plan type as of June 30, 2018 and June 30, 2019 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total – Both Plans
June 30, 2018	\$44,639,865	\$44,587,859	\$89,227,724
June 30, 2019	43,474,515	45,216,872	88,691,387
Change – Increase (Decrease)	\$(1,165,350)	\$629,013	\$(536,337)

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, 2019**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The Plans provisions and benefits in effect at June 30, 2019, 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	10.656%	10.656%

Beginning in fiscal year 2019, 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 was \$2,508,069 in fiscal year 2019.

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	228
Inactive employees entitled to but not yet receiving benefits	175
Active employees	152
Total	555

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability follows.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2017	\$134,982,712	\$90,342,847	\$44,639,865
Changes in the year:			
Service cost	2,492,070		2,492,070
Interest on the total pension liability	9,431,890		9,431,890
Changes of benefit terms			
Changes in assumptions	(862,136)		(862,136)
Differences between actual and expected experience	(431,451)		(431,451)
Plan to plan resource movement		(223)	223
Contribution - employer		3,493,382	(3,493,382)
Contribution - employee		1,025,190	(1,025,190)
Net investment income		7,685,495	(7,685,495)
Benefit payments, including refunds of employee contributions	(6,041,230)	(6,041,230)	
Administrative expense		(140,779)	140,779
Other Miscellaneous Income/Expense		(267,342)	267,342
Net changes	<u>4,589,143</u>	<u>5,754,493</u>	<u>(1,165,350)</u>
Balance at June 30, 2018	<u>\$139,571,855</u>	<u>\$96,097,340</u>	<u>\$43,474,515</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:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$62,340,669
Current Discount Rate	7.15%
Net Pension Liability	\$43,474,515
1% Increase	8.15%
Net Pension Liability	\$27,930,125

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2019, the City recognized pension expense of \$2,974,284. At June 30, 2019, 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	\$4,025,948	
Differences between actual and expected experience		(\$419,570)
Changes in assumptions	1,760,010	(530,545)
Net differences between projected and actual earnings on plan investments	167,824	
Total	\$5,953,782	(\$950,115)

A total of \$4,025,948 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, 2020. 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
2019	\$2,234,247
2020	(56,573)
2021	(937,348)
2022	(262,607)

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, 2019**

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, 2019, 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	20.556%	12.141%

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 was \$2,332,717 in fiscal year 2019.

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, 2019, contributions to the Safety Plan were as follows:

	Safety Plans
Contributions - employer	\$4,282,040

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, 2019**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

At June 30, 2019, 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	\$45,216,872
Total Net Pension Liability	\$45,216,872

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

	Safety Plans
Proportion - June 30, 2017	0.74621%
Proportion - June 30, 2018	0.77063%
Change - Increase (Decrease)	0.02442%

For the year ended June 30, 2019, the City recognized pension expense of \$2,576,979 for the Safety Plan. On June 30, 2019, 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	\$4,282,040	
Differences between actual and expected experience	971,558	
Changes in assumptions	4,436,564	(598,572)
Net differences between projected and actual earnings on plan investments	306,139	(3,686)
Differences between actual contributions and proportional contributions		(1,856,407)
Adjustment due to differences in proportion	1,569,262	
Total	\$11,565,563	(\$2,458,665)

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

A total of \$4,282,040 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, 2020. 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>
2019	\$3,908,720
2020	2,446,854
2021	(1,217,520)
2022	(313,196)

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	\$68,369,851
Current Discount Rate	7.15%
Net Pension Liability	\$45,216,872
1% Increase	8.15%
Net Pension Liability	\$26,247,151

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, 2019:

Current retirees	236
Active employees	<u>105</u>
Total	<u><u>341</u></u>

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9 – DEFINED CONTRIBUTION POST-EMPLOYMENT HEALTHCARE PLAN (Continued)

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 2018-19 the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund was \$6,137,562, 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, 2019, 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.

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.

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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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$26,411,592	\$26,411,592	\$27,273,131	\$861,539
Licenses and permits	4,351,495	4,351,495	4,218,398	(133,097)
Intergovernmental	4,996,595	4,996,595	5,078,137	81,542
Charges for services	3,445,147	3,445,147	3,689,192	244,045
Fines and forfeitures	763,500	763,500	916,907	153,407
Use of money and property	1,250,438	1,250,438	2,098,328	847,890
Other revenues	4,069,826	4,069,826	4,190,989	121,163
Total revenues	45,288,593	45,288,593	47,465,082	2,176,489
EXPENDITURES:				
Current:				
General government	5,472,328	5,612,828	5,774,940	(162,112)
Public safety	26,912,966	26,931,471	26,331,722	599,749
Public works	989,064	1,018,764	1,255,226	(236,462)
Streets	1,799,781	1,857,281	1,532,953	324,328
Parks and recreation	5,948,235	5,976,026	5,595,625	380,401
Library	2,095,660	2,095,660	2,044,976	50,684
Community and economic development	2,975,307	3,100,307	2,885,067	215,240
Capital outlay	248,063	2,660,276	2,195,010	465,266
Total expenditures	46,441,404	49,252,613	47,615,519	1,637,094
REVENUES OVER (UNDER) EXPENDITURES	(1,152,811)	(3,964,020)	(150,437)	3,813,583
OTHER FINANCING SOURCES (USES):				
Transfers in	1,432,500	1,585,271	1,799,848	214,577
Transfers out	(4,739,233)	(5,411,260)	(5,410,364)	896
Capital lease		1,630,339	1,630,339	
Total other financing sources (uses)	(3,306,733)	(3,825,989)	(1,980,177)	215,473
Net change in fund balances	(4,459,544)	(7,790,009)	(2,130,614)	4,029,056
FUND BALANCES:				
Beginning of year	31,284,933	31,284,933	31,284,933	
End of year	<u>\$26,825,389</u>	<u>\$23,494,924</u>	<u>\$29,154,319</u>	<u>\$4,029,056</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$2,143,432	\$2,143,432	\$739,014	(\$1,404,418)
Other revenues	\$55,744	55,744	394,218	338,474
Total revenues	<u>2,199,176</u>	<u>2,199,176</u>	<u>1,133,232</u>	<u>(1,065,944)</u>
EXPENDITURES:				
Current:				
Capital outlay	9,499,949	9,914,977	6,268,780	3,646,197
Total expenditures	<u>9,499,949</u>	<u>9,914,977</u>	<u>6,268,780</u>	<u>3,646,197</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,300,773)</u>	<u>(7,715,801)</u>	<u>(5,135,548)</u>	<u>(2,580,253)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,713,326	2,128,353	2,954,291	825,938
Transfers out		(130,271)	(337,891)	(207,620)
Total other financing sources (uses)	<u>1,713,326</u>	<u>1,998,082</u>	<u>2,616,400</u>	<u>618,318</u>
Net change in fund balances	<u>(5,587,447)</u>	<u>(5,717,719)</u>	<u>(2,519,148)</u>	<u>(1,961,935)</u>
FUND BALANCES:				
Beginning of year	4,764,919	4,764,919	4,764,919	
End of year	<u>(\$822,528)</u>	<u>(\$952,800)</u>	<u>\$2,245,771</u>	<u>(\$1,961,935)</u>

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2019
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$2,202,577	\$2,097,851	\$2,139,755	\$2,531,862	\$2,492,070
Interest	7,873,939	8,305,341	8,778,896	9,108,648	9,431,890
Changes of benefit terms					
Differences between expected and actual experience		505,056	934,779	(667,604)	(431,451)
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)
Net change in total pension liability	5,308,171	3,826,614	6,550,659	13,028,520	4,589,143
Total pension liability - beginning	106,268,748	111,576,919	115,403,533	121,954,192	134,982,712
Total pension liability - ending (a)	\$111,576,919	\$115,403,533	\$121,954,192	\$134,982,712	\$139,571,855
Plan fiduciary net position					
Contributions - employer	\$2,379,268	\$2,511,337	\$2,864,024	\$3,286,539	\$3,493,382
Contributions - employee	1,401,279	968,827	995,641	1,021,113	1,025,190
Net investment income	12,458,355	1,866,002	415,562	9,203,409	7,685,495
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)
Administration expense		(94,139)	(50,953)	(121,842)	(140,779)
Other changes in Fiduciary net position		(4)	(1,791)		(267,342)
Net change in plan fiduciary net position	11,470,557	217,467	(1,080,288)	7,818,125	5,754,493
Plan fiduciary net position - beginning	71,916,986	83,387,543	83,605,010	82,524,722	90,342,847
Plan fiduciary net position - ending (b)	\$83,387,543	\$83,605,010	\$82,524,722	\$90,342,847	\$96,097,340
Net pension liability - ending (a)-(b)	\$28,189,376	\$31,798,523	\$39,429,470	\$44,639,865	\$43,474,515
Plan fiduciary net position as a percentage of the total pension liability	74.74%	72.45%	67.67%	66.93%	68.85%
Covered payroll	\$11,820,838	\$11,798,276	\$12,099,264	\$13,151,844	\$13,518,084
Net pension liability as percentage of covered payroll	238.47%	269.52%	325.88%	339.42%	321.60%

Notes to Schedule:

Benefit changes. In 2016, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. 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 discount rate was changed from 7.65% to 7.15%.

* 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, 2019**

Prepared for City of San Bruno, an Agent Multiple-Employer Defined Pension Plan
As of Fiscal Year ending June 30, 2019
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal year ended,	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Actuarially determined contribution	\$2,379,268	\$2,751,860	\$3,140,457	\$3,493,688	\$4,025,948
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>
Contribution deficiency (excess)	<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
Contributions as a percentage of covered payroll	20.17%	22.74%	23.88%	25.84%	28.16%
Notes to Schedule					
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service and type of employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation	7.5%, net of pension plan investment and administrative expenses, including inflation	7.5%, net of pension plan investment and administrative expenses, including inflation	7.5%, net of pension plan investment and administrative expenses, including inflation	7.5%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 Misc., 62 Tier 2	55 Misc., 62 Tier 2	55 Misc., 62 Tier 2	55 Misc., 62 Tier 2	55 Misc., 62 Tier 2
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 5 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

* 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, 2019**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2019
Last 10 Years***

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>
Measurement Date,	2014	2015	2016	2017	2018
Plan's Proportion of the Net Pension Liability/Asset	0.40726%	0.72742%	0.74853%	0.74621%	0.77063%
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
Plan's Covered Payroll	\$8,296,958	\$8,733,422	\$9,215,379	\$9,360,496	\$8,768,759
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	305.44%	343.20%	420.69%	476.34%	515.66%
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%

* 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, 2019**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2019
Last 10 Years***

SCHEDULE OF CONTRIBUTIONS

	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>	<u>Safety Plan</u>
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>
Actuarially determined contribution	\$2,600,052	\$1,681,684	\$3,203,722	\$3,682,068	\$4,282,040
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>
Contribution deficiency (excess)					
Covered payroll	\$8,733,422	\$9,215,379	\$9,360,496	\$8,768,759	\$9,259,344
Contributions as a percentage of covered payroll	29.77%	18.25%	34.23%	41.99%	46.25%
Notes to Schedule					
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Salary increases	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 yrs. Safety; 57 yrs. Tier 2	55 yrs. Safety; 57 yrs. Tier 2	55 yrs. Safety; 57 yrs. Tier 2	55 yrs. Safety; 57 yrs. Tier 2	55 yrs. Safety; 57 yrs. Tier 2
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 5 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

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

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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 received 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.

CAPITAL PROJECT FUNDS

General – 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, 2019
(with comparative totals for June 30, 2018)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$3,888,839	\$19,025	\$13,231	\$739,003
Cash and investments with fiscal agents				
Receivables:				
Taxes				165,769
Interest				
Loans				
Other		28,708	21,620	
Prepaid items				
Total assets	\$3,888,839	\$47,733	\$34,851	\$904,772
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$7,500	\$13,662	\$22,981	
Due to other funds				
Unearned revenue				
Total liabilities	7,500	13,662	22,981	
Deferred Inflows of Resources:				
Unavailable revenue				
Total deferred inflows of resources				
Fund Balances:				
Restricted	3,881,339	34,071	11,870	904,772
Committed				
Unassigned				
Total fund balances (deficits)	3,881,339	34,071	11,870	904,772
Total liabilities and fund balances	\$3,888,839	\$47,733	\$34,851	\$904,772

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
\$51,313	\$865,536	\$165,037	\$393,407	\$2,659,468	\$401,010
	16,402		462	47,500	
<u>\$51,313</u>	<u>\$881,938</u>	<u>\$165,037</u>	<u>\$393,869</u>	<u>\$2,706,968</u>	<u>\$401,010</u>
	\$1,736		\$962	\$8,061	
	<u>1,736</u>		<u>962</u>	<u>8,061</u>	
51,313	880,202	165,037	392,907	2,698,907	\$401,010
<u>51,313</u>	<u>880,202</u>	<u>165,037</u>	<u>392,907</u>	<u>2,698,907</u>	<u>401,010</u>
<u>\$51,313</u>	<u>\$881,938</u>	<u>\$165,037</u>	<u>\$393,869</u>	<u>\$2,706,968</u>	<u>\$401,010</u>

(Continued)

CITY OF SAN BRUNO
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2019
(with comparative totals for June 30, 2018)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
ASSETS				
Cash and investments	\$595,407	\$33,021	\$1,451,878	\$1,274,761
Cash and investments with fiscal agents				
Receivables:				
Taxes				
Interest				
Loans	90,000			
Other				452,606
Prepaid items				
Total assets	\$685,407	\$33,021	\$1,451,878	\$1,727,367
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities				\$710,681
Due to other funds				
Unearned revenue				
Total liabilities				710,681
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue				452,606
Total deferred inflows of resources				452,606
Fund Balances:				
Restricted	685,407	\$33,021	\$1,451,878	564,080
Committed				
Unassigned				
Total fund balances (deficits)	685,407	33,021	1,451,878	564,080
Total liabilities and fund balances	\$685,407	\$33,021	\$1,451,878	\$1,727,367

Capital Projects Funds	Debt Service Fund	Non-major funds	
		Totals	
General	General	2019	2018
\$3,714,376		\$16,265,312	\$21,910,895
	\$900	900	636
		165,769	114,117
			14,766
		90,000	90,000
485,616		1,052,914	1,769,156
			2,270
<u>\$4,199,992</u>	<u>\$900</u>	<u>\$17,574,895</u>	<u>\$23,901,840</u>
\$67,788		\$833,371	\$2,418,503
			\$2,989
<u>67,788</u>		<u>833,371</u>	<u>2,421,492</u>
		452,606	
		452,606	
4,132,204	\$900	16,288,918	18,264,533
			3,216,534
			(719)
<u>4,132,204</u>	<u>900</u>	<u>16,288,918</u>	<u>21,480,348</u>
<u>\$4,199,992</u>	<u>\$900</u>	<u>\$17,574,895</u>	<u>23,901,840</u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes				\$1,811,108
Licenses and permits	\$320,000			
Use of money & property	67,157	\$697	\$159	11,048
Intergovernmental		145,294	58,735	
Charges for services				
Fines and forfeitures				
Other revenues		80,135		
Total revenues	<u>387,157</u>	<u>226,126</u>	<u>58,894</u>	<u>1,822,156</u>
EXPENDITURES:				
Current:				
General government				
Public safety			46,305	
Highways and streets				2,119
Parks and recreation		189,407		
Library				
Community development	39,300			
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>39,300</u>	<u>189,407</u>	<u>46,305</u>	<u>2,119</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>347,857</u>	<u>36,719</u>	<u>12,589</u>	<u>1,820,037</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out		(36,023)		(1,078,326)
Total other financing sources and uses		<u>(36,023)</u>		<u>(1,078,326)</u>
Net change in fund balances	347,857	696	12,589	741,711
FUND BALANCES:				
Beginning of year	<u>3,533,482</u>	<u>33,375</u>	<u>(719)</u>	<u>163,061</u>
End of year	<u>\$3,881,339</u>	<u>\$34,071</u>	<u>\$11,870</u>	<u>\$904,772</u>

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
				\$236,364	
\$1,036	\$14,751	\$3,381 148,747	\$6,560 23,198	44,907	\$5,627
	428,141				
			102,335	901,675	
<u>1,036</u>	<u>442,892</u>	<u>152,128</u>	<u>132,093</u>	<u>1,182,946</u>	<u>5,627</u>
				78,349	
	157,847			2,869	
			70,864		
				10,195	
				22,717	
				9,769	
	<u>157,847</u>		<u>70,864</u>	<u>123,899</u>	
<u>1,036</u>	<u>285,045</u>	<u>152,128</u>	<u>61,229</u>	<u>1,059,047</u>	<u>5,627</u>
<u>(39,000)</u>		<u>(100,000)</u>			
<u>(39,000)</u>		<u>(100,000)</u>			
<u>(37,964)</u>	<u>285,045</u>	<u>52,128</u>	<u>61,229</u>	<u>1,059,047</u>	<u>5,627</u>
<u>89,277</u>	<u>595,157</u>	<u>112,909</u>	<u>331,678</u>	<u>1,639,860</u>	<u>395,383</u>
<u>\$51,313</u>	<u>\$880,202</u>	<u>\$165,037</u>	<u>\$392,907</u>	<u>\$2,698,907</u>	<u>\$401,010</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, 2019
 (with comparative totals for the year ended June 30, 2018)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
REVENUES:				
Taxes			\$1,099,755	
Licenses and permits		\$32,757		
Use of money & property		264	22,223	
Intergovernmental				
Charges for services				
Fines and forfeitures				
Other revenues				\$2,936,898
Total revenues		<u>33,021</u>	<u>1,121,978</u>	<u>2,936,898</u>
EXPENDITURES:				
Current:				
General government				298,309
Public safety				
Highways and streets				
Parks and recreation				
Library				
Community development				
Capital outlay				3,185,659
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures				<u>3,483,968</u>
REVENUES OVER (UNDER) EXPENDITURES		<u>33,021</u>	<u>1,121,978</u>	<u>(547,070)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out			(1,608,465)	
Total other financing sources and uses			<u>(1,608,465)</u>	
Net change in fund balances		33,021	(486,487)	(547,070)
FUND BALANCES:				
Beginning of year	685,407		1,938,365	1,111,150
End of year	<u>\$685,407</u>	<u>\$33,021</u>	<u>\$1,451,878</u>	<u>\$564,080</u>

<u>Capital Projects Funds</u>		<u>Debt Service Fund</u>		Non-major funds	
General		General		Totals	
				2019	2018
				\$2,910,863	\$2,254,730
				589,121	182,048
		\$1,055		178,865	143,145
				375,974	808,650
				428,141	222,048
\$790,567				4,811,610	6,712,698
<u>790,567</u>	<u>1,055</u>			<u>9,294,574</u>	<u>10,323,319</u>
				376,658	701,540
				207,021	128,178
				72,983	67,458
				199,602	145,473
				22,717	25,497
				49,069	43,396
1,000,053				4,185,712	8,387,299
		1,411,245		1,411,245	1,035,038
		343,660		343,660	363,591
<u>1,000,053</u>	<u>1,754,905</u>			<u>6,868,667</u>	<u>10,897,470</u>
<u>(209,486)</u>	<u>(1,753,850)</u>			<u>2,425,907</u>	<u>(574,151)</u>
1,896,250	1,754,114			3,650,364	6,375,381
<u>(514,434)</u>				<u>(3,376,248)</u>	<u>(3,221,030)</u>
<u>1,381,816</u>	<u>1,754,114</u>			<u>274,116</u>	<u>3,154,351</u>
1,172,330	264			2,700,023	2,580,200
<u>2,959,874</u>	<u>636</u>			<u>13,588,895</u>	<u>18,900,148</u>
<u>\$4,132,204</u>	<u>\$900</u>			<u>\$16,288,918</u>	<u>\$21,480,348</u>

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, 2019

	SPECIAL REVENUE FUNDS					
	In-Lieu			Agency on Aging		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits		\$320,000	\$320,000			
Use of money & property	\$18,000	67,157	49,157	\$350	\$697	\$347
Intergovernmental				140,465	145,294	4,829
Charges for services						
Fines and forfeitures						
Other revenues				72,900	80,135	7,235
Total revenues	<u>18,000</u>	<u>387,157</u>	<u>369,157</u>	<u>213,715</u>	<u>226,126</u>	<u>12,411</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Highways and streets						
Parks and recreation				140,465	189,407	(48,942)
Library						
Community development	39,500	39,300	200			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>39,500</u>	<u>39,300</u>	<u>200</u>	<u>140,465</u>	<u>189,407</u>	<u>(48,942)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(21,500)</u>	<u>347,857</u>	<u>369,357</u>	<u>73,250</u>	<u>36,719</u>	<u>(36,531)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out				(72,900)	(36,023)	36,877
Total other financing sources and uses				<u>(72,900)</u>	<u>(36,023)</u>	<u>36,877</u>
Net change in fund balances	<u>(21,500)</u>	<u>347,857</u>	<u>369,357</u>	<u>350</u>	<u>696</u>	<u>346</u>
FUND BALANCES:						
Beginning of year	3,533,482	3,533,482		33,375	33,375	
End of year	<u>\$3,511,982</u>	<u>\$3,881,339</u>	<u>\$369,357</u>	<u>\$33,725</u>	<u>\$34,071</u>	<u>\$346</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)
			\$1,593,784	\$1,811,108	\$217,324			
\$56,823	\$159 58,735	\$159 1,912	959	11,048	10,089	\$650	\$1,036	\$386
<u>56,823</u>	<u>58,894</u>	<u>2,071</u>	<u>1,594,743</u>	<u>1,822,156</u>	<u>227,413</u>	<u>650</u>	<u>1,036</u>	<u>386</u>
56,823	46,305	10,518		2,119	(2,119)			
<u>56,823</u>	<u>46,305</u>	<u>10,518</u>		<u>2,119</u>	<u>(2,119)</u>			
	12,589	(8,447)	1,594,743	1,820,037	229,532	650	1,036	386
			(1,078,326)	(1,078,326)		(39,000)	(39,000)	
			(1,078,326)	(1,078,326)		(39,000)	(39,000)	
	12,589	(8,447)	516,417	741,711	229,532	(38,350)	(37,964)	386
(719)	(719)		163,061	163,061		89,277	89,277	
<u>(719)</u>	<u>\$11,870</u>	<u>(\$8,447)</u>	<u>\$679,478</u>	<u>\$904,772</u>	<u>\$229,532</u>	<u>\$50,927</u>	<u>\$51,313</u>	<u>\$386</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, 2019

	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	\$3,000	\$14,751	\$11,751	\$700	\$3,381	\$2,681
Intergovernmental				128,000	148,747	20,747
Charges for services						
Fines and forfeitures	275,000	428,141	153,141			
Other revenues						
Total revenues	<u>278,000</u>	<u>442,892</u>	<u>164,892</u>	<u>128,700</u>	<u>152,128</u>	<u>23,428</u>
EXPENDITURES:						
Current:						
General government						
Public safety	133,547	157,847	(24,300)			
Public works						
Highways and streets						
Parks and recreation						
Library						
Community development						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>133,547</u>	<u>157,847</u>	<u>(24,300)</u>			
REVENUES OVER (UNDER) EXPENDITURES	<u>144,453</u>	<u>285,045</u>	<u>189,192</u>	<u>128,700</u>	<u>152,128</u>	<u>23,428</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out				(100,000)	(100,000)	
Total other financing sources and uses				<u>(100,000)</u>	<u>(100,000)</u>	
Net change in fund balances	144,453	285,045	189,192	28,700	52,128	23,428
FUND BALANCES:						
Beginning of year	<u>595,157</u>	<u>595,157</u>		<u>112,909</u>	<u>112,909</u>	
End of year	<u>\$739,610</u>	<u>\$880,202</u>	<u>\$189,192</u>	<u>\$141,609</u>	<u>\$165,037</u>	<u>\$23,428</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)
			\$172,000	\$236,364	\$64,364			
\$600	\$6,560	\$5,960	8,000	44,907	36,907	\$2,600	\$5,627	\$3,027
11,000	23,198	12,198						
83,034	102,335	19,301	82,500	901,675	819,175			
94,634	132,093	37,459	262,500	1,182,946	920,446	2,600	5,627	3,027
			83,300	78,349	4,951			
				2,869	(2,869)			
78,326	70,864	7,462						
			8,000	10,195	(2,195)			
			6,000	22,717	(16,717)			
			84,500	9,769	74,731			
78,326	70,864	7,462	181,800	123,899	57,901			
16,308	61,229	29,997	80,700	1,059,047	862,545	2,600	5,627	3,027
16,308	61,229	29,997	80,700	1,059,047	862,545	2,600	5,627	3,027
331,678	331,678		1,639,860	1,639,860		395,383	395,383	
\$347,986	\$392,907		\$1,720,560	\$2,698,907	\$862,545	\$397,983	\$401,010	\$3,027

(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, 2019

	SPECIAL REVENUE FUNDS					
	City as Housing Agency			Impact Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits					32,757	
Use of money & property					264	
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues						-
Total revenues					33,021	
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Highways and streets						
Parks and recreation						
Library						
Community development						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures						
REVENUES OVER (UNDER) EXPENDITURES					33,021	
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
Total other financing sources and uses						
Net change in fund balances					33,021	
FUND BALANCES:						
Beginning of year	685,407	685,407				
End of year	\$685,407	\$685,407			\$33,021	

SPECIAL REVENUE FUNDS

Measure A Transportation Tax			Disaster Recovery		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$950,000	\$1,099,755	\$149,755			
10,000	22,223	12,223			
			\$8,066,336	\$2,936,898	(\$5,129,438)
<u>960,000</u>	<u>1,121,978</u>	<u>161,978</u>	<u>8,066,336</u>	<u>2,936,898</u>	<u>(5,129,438)</u>
			536,557	298,309	
			7,025,887	3,185,659	3,840,228
			<u>7,562,444</u>	<u>3,483,968</u>	<u>3,840,228</u>
<u>960,000</u>	<u>1,121,978</u>	<u>161,978</u>	<u>503,892</u>	<u>(547,070)</u>	<u>(1,050,962)</u>
<u>(782,527)</u>	<u>(1,608,465)</u>	<u>(825,938)</u>			
<u>(782,527)</u>	<u>(1,608,465)</u>	<u>(825,938)</u>			
177,473	(486,487)	(663,960)	503,892	(547,070)	(1,050,962)
1,938,365	1,938,365		1,111,150	1,111,150	
<u>\$2,115,838</u>	<u>\$1,451,878</u>	<u>(\$663,960)</u>	<u>\$1,615,042</u>	<u>\$564,080</u>	<u>(\$1,050,962)</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, 2019

	CAPITAL PROJECTS FUND			DEBT SERVICE FUND		
	General			General		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits						
Use of money & property					\$1,055	\$1,055
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues	\$8,781,851	\$790,567	(\$7,991,284)			
Total revenues	<u>8,781,851</u>	<u>790,567</u>	<u>(7,991,284)</u>		<u>1,055</u>	<u>1,055</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Highways and streets						
Parks and recreation						
Library						
Community development						
Capital outlay	12,851,235	1,000,053	11,851,182			
Debt service:						
Principal				\$1,411,245	1,411,245	
Interest and fiscal charges				341,965	343,660	(1,695)
Total expenditures	<u>12,851,235</u>	<u>1,000,053</u>	<u>11,851,182</u>	<u>1,753,210</u>	<u>1,754,905</u>	<u>(1,695)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,069,384)</u>	<u>(209,486)</u>	<u>3,859,898</u>	<u>(1,753,210)</u>	<u>(1,753,850)</u>	<u>(640)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	1,896,250	1,896,250		1,755,010	1,754,114	(896)
Transfers out	(130,000)	(514,434)	(384,434)			
Total other financing sources and uses	<u>1,766,250</u>	<u>1,381,816</u>	<u>(384,434)</u>	<u>1,755,010</u>	<u>1,754,114</u>	<u>(896)</u>
Net change in fund balances	<u>(2,303,134)</u>	<u>1,172,330</u>	<u>3,475,464</u>	<u>1,800</u>	<u>264</u>	<u>(1,536)</u>
FUND BALANCES:						
Beginning of year	2,959,874	2,959,874		636	636	
End of year	<u>\$656,740</u>	<u>\$4,132,204</u>	<u>\$3,475,464</u>	<u>\$2,436</u>	<u>\$900</u>	<u>(\$1,536)</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, 2019
(with comparative totals for June 30, 2018)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>Technology Development</u>	<u>Facilities Maintenance</u>
ASSETS				
Current assets:				
Cash and investments	\$70,641	\$1,612,477	\$283,535	\$83,850
Cash and investments held by trustees		91,119		
Accounts receivable				
Total current assets	<u>70,641</u>	<u>1,703,596</u>	<u>283,535</u>	<u>83,850</u>
Noncurrent assets:				
Capital assets (net)				13,263
Total noncurrent assets			-	<u>13,263</u>
Total assets	<u><u>\$70,641</u></u>	<u><u>\$1,703,596</u></u>	<u><u>\$283,535</u></u>	<u><u>\$97,113</u></u>
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$53,320	\$98,577	\$30,554	\$34,752
Compensated absences	2,667		7,989	10,323
Liability for claims		1,043,768		
Total current liabilities	<u>55,987</u>	<u>1,142,345</u>	<u>38,543</u>	<u>45,075</u>
Noncurrent liabilities:				
Compensated absences	7,194		21,731	36,650
Liability for claims		3,368,232		
Total noncurrent liabilities	<u>7,194</u>	<u>3,368,232</u>	<u>21,731</u>	<u>36,650</u>
Total liabilities	<u>63,181</u>	<u>4,510,577</u>	<u>60,274</u>	<u>81,725</u>
NET POSITION				
Invested in capital assets, net of related debt				13,263
Unrestricted net position	7,460	(2,806,981)	223,261	2,125
Total net position	<u>7,460</u>	<u>(2,806,981)</u>	<u>223,261</u>	<u>15,388</u>
Total liabilities and net position	<u><u>\$70,641</u></u>	<u><u>\$1,703,596</u></u>	<u><u>\$283,535</u></u>	<u><u>\$97,113</u></u>

Totals

<u>2019</u>	<u>2018</u>
\$2,050,503	\$2,479,660
91,119	91,119
<u>2,141,622</u>	<u>2,583,556</u>
13,263	18,611
<u>13,263</u>	<u>18,611</u>
<u><u>\$2,154,885</u></u>	<u><u>\$2,602,167</u></u>

\$217,203	\$330,727
20,979	20,350
1,043,768	943,875
<u>1,281,950</u>	<u>1,294,952</u>

65,575	75,596
<u>3,368,232</u>	<u>3,388,125</u>
<u>3,433,807</u>	<u>3,463,721</u>
<u>4,715,757</u>	<u>4,758,673</u>

13,263	18,611
<u>(2,574,135)</u>	<u>(2,175,117)</u>
<u>(2,560,872)</u>	<u>(2,156,506)</u>
<u><u>\$2,154,885</u></u>	<u><u>\$2,602,167</u></u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	Central Garage	Self- Insurance	Technology Development	Facilities Maintenance
OPERATING REVENUES:				
Charges for services	\$587,000	\$2,246,554	\$710,000	\$1,300,271
Other revenue		194,137	340	34,516
Total operating revenues	587,000	2,440,691	710,340	1,334,787
OPERATING EXPENSES:				
Central garage	699,922			
Insurance premiums, claims and administration		2,698,879		
Technology			745,420	
Facilities				1,327,613
Depreciation			1,371	3,979
Total operating expenses	699,922	2,698,879	746,791	1,331,592
OPERATING INCOME (LOSS)	(112,922)	(258,188)	(36,451)	3,195
Transfer (to) other funds				
Total transfers				
CHANGE IN NET POSITION	(112,922)	(258,188)	(36,451)	3,195
NET POSITION:				
Beginning of year	120,382	(2,548,793)	259,712	12,193
End of year	<u>\$7,460</u>	<u>(\$2,806,981)</u>	<u>\$223,261</u>	<u>\$15,388</u>

Totals	
2019	2018
\$4,843,825	\$4,590,535
228,993	359,247
5,072,818	4,949,782
699,922	610,160
2,698,879	3,793,452
745,420	726,100
1,327,613	1,406,491
5,350	12,193
5,477,184	6,548,396
(404,366)	(1,598,614)
(404,366)	(1,598,614)
(2,156,506)	(557,892)
(\$2,560,872)	(\$2,156,506)

CITY OF SAN BRUNO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>Technology Development</u>	<u>Facilities Maintenance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from other funds for services	\$580,527	\$2,440,691	\$713,075	\$1,329,133
Cash payments to suppliers for goods and services	(684,478)	(2,781,954)	(727,185)	(1,378,964)
Cash reimbursements for loss claims		80,000		
Net cash provided (used) by operating activities	<u>(103,951)</u>	<u>(261,263)</u>	<u>(14,110)</u>	<u>(49,831)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advance repayments from fiduciary funds				
Transfers paid to other funds				
Net cash provided by noncapital financing activities				
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Acquisition of capital assets			(2)	
Net cash provided by capital financing activities			(2)	
Net increase in cash and cash equivalents	<u>(103,951)</u>	<u>(261,263)</u>	<u>(14,112)</u>	<u>(49,831)</u>
CASH AND CASH EQUIVALENTS:				
Beginning of year	174,592	1,964,859	297,647	133,681
End of year	<u>\$70,641</u>	<u>\$1,703,596</u>	<u>\$283,535</u>	<u>\$83,850</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	(\$112,922)	(\$258,188)	(\$36,451)	\$3,195
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation			1,371	3,979
(Increase) decrease in current assets:				
Accounts receivable				12,777
Prepaid items				
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	15,444	(83,075)	18,235	(64,128)
Compensated absences	(6,473)		2,735	(5,654)
Increase (decrease) in claims liability - current & noncurrent		80,000		
Net cash provided (used) by operating activities	<u>(\$103,951)</u>	<u>(\$261,263)</u>	<u>(\$14,110)</u>	<u>(\$49,831)</u>
Presentation in Statement of Net Position:				
Cash and investments	\$70,641	\$1,612,477	\$283,535	\$83,850
Cash and investments held by trustees		91,119		
Total Cash and Cash Equivalents, End of Year	<u>\$70,641</u>	<u>\$1,703,596</u>	<u>\$283,535</u>	<u>\$83,850</u>

Totals	
2019	2018
\$5,063,426	\$4,915,369
(5,572,581)	(6,357,514)
80,000	680,000
<u>(429,155)</u>	<u>(762,145)</u>
<u>(2)</u>	<u>(1)</u>
(2)	(1)
<u>(429,157)</u>	<u>(762,146)</u>
<u>2,570,779</u>	<u>3,332,925</u>
<u>\$2,141,622</u>	<u>\$2,570,779</u>
(\$404,366)	(\$1,598,614)
5,350	12,193
12,777	(12,777)
	2,960
(113,524)	188,606
(9,392)	(34,413)
80,000	680,000
<u>(\$429,155)</u>	<u>(\$762,045)</u>
\$2,050,503	\$2,479,660
91,119	91,119
<u>\$2,141,622</u>	<u>\$2,570,779</u>

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AGENCY FUNDS

Agency Funds are presented separately from the Government-wide and Fund financial statements.

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

Project Development – Accounts for funds from Developers to reimburse the City for all costs associated with processing project applications.

Recology San Bruno – Accounts for funds the City collects on behalf of Recology San Bruno to provide all garbage related services.

CITY OF SAN BRUNO
Combining Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2019
(with comparative totals for June 30, 2018)

	Project Development	Recology San Bruno	Totals	
			2019	2018
ASSETS				
Cash and investments	\$334,261	\$468,940	\$803,201	\$1,330,788
Accounts receivable		549,159	549,159	540,595
Total assets	\$334,261	\$1,018,099	\$1,352,360	\$1,871,383
LIABILITIES				
Accounts payable	\$517,345	\$1,016,527	\$1,533,872	\$1,077,956
Other liabilities	(183,084)	1,572	(181,512)	793,427
Total liabilities	\$334,261	\$1,018,099	\$1,352,360	\$1,871,383

CITY OF SAN BRUNO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$841,933		(\$507,672)	\$334,261
Total assets	\$841,933		(\$507,672)	\$334,261
LIABILITIES				
Accounts payable	\$50,354	\$466,991		\$517,345
Other liabilities	791,579		(974,663)	(183,084)
Total liabilities	\$841,933	\$466,991	(\$974,663)	\$334,261
RECOLOGY SAN BRUNO				
ASSETS				
Cash and investments	\$488,855		(\$19,915)	\$468,940
Accounts receivable	540,595	\$8,564		549,159
Total assets	\$1,029,450	\$8,564	(\$19,915)	\$1,018,099
LIABILITIES				
Accounts payable	\$1,027,602		(\$11,075)	\$1,016,527
Other liabilities	1,848		(276)	1,572
Total liabilities	\$1,029,450		(\$11,351)	\$1,018,099
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$1,330,788		(\$527,587)	\$803,201
Accounts receivable	540,595	\$8,564		549,159
Total assets	\$1,871,383	\$8,564	(\$527,587)	\$1,352,360
LIABILITIES				
Accounts payable	\$1,077,956	\$466,991	(\$11,075)	\$1,533,872
Other liabilities	793,427	-	(\$974,939)	(181,512)
Total liabilities	\$1,871,383	\$466,991	(\$986,014)	\$1,352,360

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STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and 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 Comprehensive Annual 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.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investments in capital assets	\$ 38,157,248	\$ 36,981,386	\$ 48,151,315	\$ 49,191,126	\$ 50,124,094
Restricted	11,757,369	15,666,900	12,461,795	10,637,770	10,612,672
Unrestricted	6,174,871	5,382,344	6,089,202	(5,227,689)	(3,967,832)
Total governmental activities net position	<u>\$ 56,089,488</u>	<u>\$ 58,030,630</u>	<u>\$ 66,702,312</u>	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>
Business-type activities					
Net investments in capital assets	\$ 29,617,094	\$ 30,706,799	\$ 32,968,582	\$ 36,842,785	\$ 46,715,688
Unrestricted	14,951,487	16,048,910	18,311,018	19,519,379	24,822,052
Total business-type activities net position	<u>\$ 44,568,581</u>	<u>\$ 46,755,709</u>	<u>\$ 51,279,600</u>	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>
Primary government					
Net investments in capital assets	\$ 67,688,185	\$ 67,688,185	\$ 81,119,897	\$ 86,033,911	\$ 96,839,782
Restricted	15,666,900	15,666,900	12,461,795	10,637,770	10,612,672
Unrestricted	21,431,254	21,431,254	24,400,220	14,291,690	20,854,220
Total primary government net position	<u>\$ 104,786,339</u>	<u>\$ 104,786,339</u>	<u>\$ 117,981,912</u>	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investments in capital assets	\$ 47,667,730	\$ 50,836,407	\$ 54,014,157	\$ 59,084,356	\$ 66,352,484
Restricted	16,592,413	12,444,902	15,727,642	18,264,533	18,534,689
Unrestricted	(35,591,299) *	(34,557,594)	(42,133,843)	(41,778,351)	(47,316,623)
Total governmental activities net position	<u>\$ 28,668,844</u>	<u>\$ 28,723,715</u>	<u>\$ 27,607,956</u>	<u>\$ 35,570,538</u>	<u>\$ 37,570,550</u>
Business-type activities					
Net investments in capital assets	\$ 57,076,442	\$ 67,316,388	\$ 70,539,432	\$ 37,167,066	\$ 42,964,412
Restricted				40,979,572	27,693,026
Unrestricted	11,218,527	7,002,450	14,463,523	12,485,588	30,544,816
Total business-type activities net position	<u>\$ 68,294,969</u>	<u>\$ 74,318,838</u>	<u>\$ 85,002,955</u>	<u>\$ 90,632,226</u>	<u>\$ 101,202,254</u>
Primary government					
Net investments in capital assets	\$ 104,744,172	\$ 118,152,795	\$ 124,553,589	\$ 96,251,422	\$ 109,316,896
Restricted	16,592,413	12,444,902	15,727,642	59,244,105	46,227,715
Unrestricted	(24,372,772) *	(27,555,144)	(27,670,320)	(29,292,763)	(16,771,807)
Total primary government net position	<u>\$ 96,963,813</u>	<u>\$ 103,042,553</u>	<u>\$ 112,610,911</u>	<u>\$ 126,202,764</u>	<u>\$ 138,772,804</u>

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 5,757,945	\$ 10,962,945	\$ 9,136,147	\$ 10,461,109	\$ 12,129,370	\$ 10,813,390	\$ 6,632,727	\$ 7,944,081	\$ 8,186,106	\$ 8,429,310
Public safety	19,593,501	19,335,496	19,129,330	20,016,150	19,836,376	21,206,573	24,334,371	25,201,102	27,448,567	29,772,551
Public works	862,049	888,426	952,496	954,150	850,759	863,706	929,223	1,032,599	1,797,113	2,332,672
Highways and streets	4,864,060	3,394,204	3,967,555	3,647,648	2,891,219	3,009,303	3,450,979	4,001,200	3,512,681	3,505,727
Parks and recreation	4,393,495	4,219,718	4,698,243	4,819,878	4,717,561	5,562,181	5,611,296	5,929,836	6,156,634	6,147,260
Library	1,757,550	1,680,862	1,693,611	1,695,581	1,685,455	1,731,305	1,799,797	1,937,465	2,094,990	2,093,683
Community development	9,180,082	7,960,992	1,951,941	1,556,777	1,888,260	2,265,895	2,526,383	2,791,309	2,887,538	2,955,685
Interest expense	672,458	612,570	455,313	931,179	267,977	416,914	403,839	387,374	380,311	388,594
Total governmental activities expenses	<u>47,081,140</u>	<u>49,055,213</u>	<u>41,984,636</u>	<u>44,082,472</u>	<u>44,266,977</u>	<u>45,869,267</u>	<u>45,688,615</u>	<u>49,224,966</u>	<u>52,463,940</u>	<u>55,625,482</u>
Business-type activities:										
Water	6,919,121	7,378,711	8,444,001	9,237,239	8,770,677	9,378,993	10,098,091	9,717,392	11,416,387	11,290,539
Stormwater	386,608	438,864	446,020	661,493	739,512	905,074	607,817	606,627	1,011,466	1,677,767
Wastewater	7,987,591	9,439,266	8,755,063	9,220,142	9,427,956	10,265,939	10,921,203	12,033,285	12,380,908	11,781,728
Cable Television	11,452,012	11,549,760	10,709,142	10,100,602	10,508,595	11,002,694	11,240,247	11,655,651	12,492,354	12,183,104
Total business-type activities expenses	<u>26,745,332</u>	<u>28,806,601</u>	<u>28,354,226</u>	<u>29,219,476</u>	<u>29,446,740</u>	<u>31,552,700</u>	<u>32,867,358</u>	<u>34,012,955</u>	<u>37,301,115</u>	<u>36,933,138</u>
Total primary government expenses	<u>\$ 73,826,472</u>	<u>\$ 77,861,814</u>	<u>\$ 70,338,862</u>	<u>\$ 73,301,948</u>	<u>\$ 73,713,717</u>	<u>\$ 77,421,967</u>	<u>\$ 78,555,973</u>	<u>\$ 83,237,921</u>	<u>\$ 89,765,055</u>	<u>\$ 92,558,620</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,831,697	\$ 3,397,195	\$ 3,171,610	\$ 2,704,082	\$ 2,923,789	\$ 2,837,224	\$ 3,468,619	\$ 3,534,173	\$ 3,693,098	\$ 3,713,293
Public safety	1,514,350	1,538,616	1,719,551	1,670,163	1,632,659	1,637,659	1,906,214	2,019,187	2,275,753	2,551,241
Public works	39,104	149,299	205,501	135,283	104,982	86,752	165,037	475,379	308,461	301,330
Highways and streets	18,700	19,243	9,474	14,649	19,985	17,977	17,204	16,500	17,092	17,228
Parks and recreation	988,075	1,089,866	1,182,386	1,194,216	1,359,079	1,471,537	1,490,268	1,533,722	1,482,588	1,683,629
Library	104,188	105,247	132,216	94,866	92,227	96,969	86,593	92,709	93,014	26,855
Community development	1,084,270	922,255	1,793,825	969,707	988,285	1,759,620	1,547,278	1,832,185	1,847,569	2,635,631
Operating grants and contributions	5,715,274	11,225,060	10,364,539	9,190,570	9,527,246	11,433,248	3,053,574	7,352,434	13,445,214	6,440,037
Capital grants and contributions	823,772	79,562	1,897,433	1,143,765	88,658	391,523	227,381	133,241	1,408,402	1,936,614
Total governmental activities program revenues	<u>14,119,430</u>	<u>18,526,343</u>	<u>20,476,535</u>	<u>17,117,301</u>	<u>16,736,910</u>	<u>19,732,509</u>	<u>11,962,168</u>	<u>16,989,530</u>	<u>24,571,191</u>	<u>19,305,858</u>
Business-type activities:										
Charges for services:										
Water	8,836,515	9,491,102	10,601,609	11,725,402	15,041,156	12,304,017	12,688,039	14,251,650	15,312,217	17,037,634
Stormwater	574,796	593,179	612,325	611,886	1,474,221	839,852	652,195	1,035,641	645,507	648,323
Wastewater	9,566,099	10,128,799	11,294,768	12,233,209	15,470,139	15,016,113	15,879,501	15,803,116	16,748,382	17,732,648
Cable Television	10,254,204	10,570,028	10,192,578	9,651,598	9,329,485	9,288,345	9,253,900	9,880,781	9,983,780	9,739,499
Total business-type activities program revenues	<u>29,231,614</u>	<u>30,783,108</u>	<u>32,701,280</u>	<u>34,222,095</u>	<u>41,315,001</u>	<u>37,448,327</u>	<u>38,473,635</u>	<u>40,971,188</u>	<u>42,689,886</u>	<u>45,158,104</u>
Total primary government program revenues	<u>\$ 43,351,044</u>	<u>\$ 49,309,451</u>	<u>\$ 53,177,815</u>	<u>\$ 51,339,396</u>	<u>\$ 58,051,911</u>	<u>\$ 57,180,836</u>	<u>\$ 50,435,803</u>	<u>\$ 57,960,718</u>	<u>\$ 67,261,077</u>	<u>\$ 64,463,962</u>
Net Revenues (Expenses)										
Governmental activities	\$ (32,961,710)	\$ (30,528,870)	\$ (21,508,101)	\$ (26,965,171)	\$ (27,530,067)	\$ (26,136,758)	\$ (33,726,447)	\$ (32,235,436)	\$ (27,892,749)	\$ (36,319,624)
Business-type activities	2,486,282	1,976,507	4,347,054	5,002,619	11,868,261	5,895,627	5,606,277	6,958,233	5,388,771	8,224,966
Total net revenues (expenses)	<u>\$ (30,475,428)</u>	<u>\$ (28,552,363)</u>	<u>\$ (17,161,047)</u>	<u>\$ (21,962,552)</u>	<u>\$ (15,661,806)</u>	<u>\$ (20,241,131)</u>	<u>\$ (28,120,170)</u>	<u>\$ (25,277,203)</u>	<u>\$ (22,503,978)</u>	<u>\$ (28,094,658)</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 6,561,286	\$ 5,035,244	\$ 5,641,633	\$ 6,752,943	\$ 8,197,205	\$ 8,844,431	\$ 9,500,264	\$ 9,968,404	\$ 10,515,309	\$ 11,846,367
Property taxes, tax increment for redevelopment purposes	9,308,063	8,900,038	3,607,372	-	-	-	-	-	-	-
Transient occupancy tax	1,344,364	1,763,680	2,183,947	2,412,368	2,790,395	3,162,479	3,316,369	3,286,913	3,424,660	3,628,979
Franchise tax	1,804,390	1,916,659	1,941,385	1,973,837	1,957,795	2,125,938	1,960,997	1,823,810	1,835,943	1,839,359
Sales tax, including subvention	5,366,248	6,498,220	6,861,036	7,345,212	8,547,806	8,556,002	8,377,896	8,777,377	8,332,044	8,764,449
Cardroom taxes	1,496,516	1,531,232	1,572,708	1,616,868	1,652,904	1,694,580	1,735,696	1,781,208	1,843,532	1,904,512
Other taxes	1,487,538	1,632,802	2,028,635	2,251,707	3,267,636	2,867,616	2,514,851	2,492,886	2,607,258	2,213,593
Intergovernmental:										
State motor vehicle in-lieu tax, including subvention	3,350,849	3,374,101	3,255,434	3,158,217	3,503,097	3,764,990	4,016,571	4,329,287	4,576,283	4,909,295
State highway user tax	-	-	-	-	1,370,767	1,270,588	976,525	887,258	1,243,782	1,811,108
Use of money and property	2,242,441	1,909,612	1,788,884	1,263,400	1,678,676	1,596,447	1,640,673	1,248,861	1,159,121	2,121,974
Miscellaneous and extraordinary items	-	-	1,328,242	(11,968,561)	(204,035)	274,320	-	-	-	-
Transfers	(93,482)	(91,576)	(29,493)	58,075	(3,064,452)	(1,768,413)	(258,524)	(3,476,327)	317,399	(720,000)
Total governmental activities	<u>32,868,213</u>	<u>32,470,012</u>	<u>30,179,783</u>	<u>14,864,066</u>	<u>29,697,794</u>	<u>32,388,978</u>	<u>33,781,318</u>	<u>31,119,677</u>	<u>35,855,331</u>	<u>38,319,636</u>
Business-type activities:										
Use of money and property	123,648	119,045	147,344	138,020	242,863	174,855	159,068	249,557	557,899	1,625,062
Transfers	93,482	91,576	29,493	(58,075)	3,064,452	1,768,413	258,524	3,476,327	(317,399)	720,000
Total business-type activities	<u>217,130</u>	<u>210,621</u>	<u>176,837</u>	<u>79,945</u>	<u>3,307,315</u>	<u>1,943,268</u>	<u>417,592</u>	<u>3,725,884</u>	<u>240,500</u>	<u>2,345,062</u>
Total primary government	<u>\$ 33,085,343</u>	<u>\$ 32,680,633</u>	<u>\$ 30,356,620</u>	<u>\$ 14,944,011</u>	<u>\$ 33,005,109</u>	<u>\$ 34,332,246</u>	<u>\$ 34,198,910</u>	<u>\$ 34,845,561</u>	<u>\$ 36,095,831</u>	<u>\$ 40,664,698</u>
Change in Net Position										
Governmental activities	\$ (93,497)	\$ 1,941,142	\$ 8,671,682	\$ (12,101,105)	\$ 2,167,727	\$ 6,252,220	\$ 54,871	\$ (1,115,759)	\$ 7,962,582	\$ 2,000,012
Business-type activities	2,703,412	2,187,128	4,523,891	5,082,564	15,175,576	7,838,895	6,023,869	10,684,117	5,629,271	10,570,028
Total primary government	<u>\$ 2,609,915</u>	<u>\$ 4,128,270</u>	<u>\$ 13,195,573</u>	<u>\$ (7,018,541)</u>	<u>\$ 17,343,303</u>	<u>\$ 14,091,115</u>	<u>\$ 6,078,740</u>	<u>\$ 9,568,358</u>	<u>\$ 13,591,853</u>	<u>\$ 12,570,040</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 27,863,575	\$ 27,705,514	\$ 24,265,039	\$ 22,433,688	\$ 24,954,783	\$ 26,085,900	\$ 26,272,319	\$ 26,952,603	\$ 27,836,907	\$ 30,183,994
Licenses and permits	2,036,968	2,182,177	3,674,707	2,834,980	4,255,588	3,691,818	3,451,841	3,981,683	3,893,645	4,807,519
Intergovernmental	4,663,260	4,102,933	4,811,636	4,416,017	4,009,117	4,574,638	4,787,432	5,061,978	5,441,457	6,193,125
Charges for services	3,319,982	4,249,436	4,648,073	3,120,324	2,826,577	3,134,354	3,398,555	3,405,255	3,301,524	3,689,192
Fines and Forfeitures	763,221	739,033	759,985	676,421	654,000	605,704	698,463	1,132,649	7,009,636	1,345,048
Use of money and property	1,938,960	1,909,612	1,788,884	1,263,400	1,678,676	1,618,634	1,674,729	1,272,582	1,189,135	2,277,193
Other revenues	6,151,677	10,199,227	9,409,245	9,147,023	11,324,450	10,489,406	8,467,574	10,445,009	11,436,819	9,396,817
Total revenues:	<u>46,737,643</u>	<u>51,087,932</u>	<u>49,357,569</u>	<u>43,891,853</u>	<u>49,703,191</u>	<u>50,200,454</u>	<u>48,750,913</u>	<u>52,251,759</u>	<u>60,109,123</u>	<u>57,892,888</u>
Expenditures										
General Government	3,432,652	7,733,633	7,659,751	8,683,516	8,955,056	8,091,630	5,966,987	6,256,661	6,220,529	6,151,598
Public safety	19,791,984	18,630,659	19,200,997	19,687,555	19,851,466	21,894,204	22,978,100	23,159,049	24,877,089	26,538,743
Public works	795,138	827,163	954,550	876,159	856,559	1,028,427	895,218	852,334	984,844	1,255,226
Highways and streets	3,924,442	2,442,621	3,420,294	2,804,070	3,689,780	1,736,206	1,537,442	1,700,057	1,494,003	1,605,936
Parks and recreation	4,319,160	4,106,814	4,245,171	4,310,157	4,453,981	5,493,030	5,301,162	4,967,433	5,717,215	5,795,227
Library	1,752,924	1,669,374	1,635,242	1,628,841	1,631,084	1,724,112	1,758,937	1,841,983	2,038,896	2,067,693
Community Development	8,978,350	7,730,597	1,903,573	1,504,058	1,872,127	2,268,181	2,509,152	2,690,910	2,856,118	2,934,136
Capital outlay	1,071,479	699,463	2,154,326	1,161,609	360,076	225,737	5,137,379	7,844,120	8,675,937	12,649,502
Debt service:										
Principal	548,219	574,031	365,592	386,409	807,336	818,289	829,272	1,939,282	1,035,038	1,411,245
Interest	677,464	651,882	219,706	542,606	410,689	399,660	386,635	368,929	363,591	343,660
Total expenditures	<u>45,291,812</u>	<u>45,066,237</u>	<u>41,759,202</u>	<u>41,584,980</u>	<u>42,888,154</u>	<u>43,679,476</u>	<u>47,300,284</u>	<u>51,620,758</u>	<u>54,263,260</u>	<u>60,752,966</u>
Reconciliation of Government Revenues										
Less expenditures to fund equity										
Revenues over (under) expenditures	1,445,831	6,021,695	7,598,367	2,306,873	6,815,037	6,520,978	1,450,629	631,001	5,845,863	(2,860,078)
Extraordinary item	-	-	(6,591,758)	-	-	-	-	-	-	-
Other financing sources (Transfer in)	5,418,156	3,696,045	2,572,024	9,588,612	7,977,407	7,893,696	24,558,269	6,354,831	8,730,402	8,404,503
Other financing sources (Transfer out)	(5,168,156)	(4,234,218)	(2,870,183)	(9,268,201)	(11,416,478)	(9,788,375)	(18,385,696)	(9,831,158)	(8,413,003)	(9,124,503)
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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances ⁽³⁾	<u>\$ 1,695,831</u>	<u>\$ 5,483,522</u>	<u>\$ 708,450</u>	<u>\$ 2,627,284</u>	<u>\$ 3,375,966</u>	<u>\$ 4,626,299</u>	<u>\$ 7,623,202</u>	<u>\$ (971,480)</u>	<u>\$ 6,163,262</u>	<u>\$ (1,949,739)</u>
Debt service as a percentage of noncapital expenditures	2.8%	2.8%	1.5%	2.3%	2.9%	2.8%	2.9%	5.3%	3.1%	3.6%

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 Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
2010	\$ 3,975,052,139	\$ 926,069,917	\$ 50,710,726	\$ 89,708,468	\$ 5,041,541,250	\$ 158,207,291	\$ 5,199,748,541	\$ 5,199,748,541	1.0000
2011	3,983,932,708	873,929,269	50,198,770	63,452,695	4,971,513,442	149,424,723	5,120,938,165	5,120,938,165	1.0000
2012	4,070,537,434	891,421,347	51,219,994	58,079,327	5,071,258,102	147,540,815	5,218,798,917	5,218,798,917	1.0000
2013	4,174,398,109	866,171,661	54,657,760	37,746,851	5,132,974,381	188,968,984	5,321,943,365	5,321,943,365	1.0000
2014	4,364,835,817	945,331,190	55,708,482	61,925,552	5,427,801,041	191,476,425	5,619,277,466	5,619,277,466	1.0000
2015	4,706,427,833	1,030,026,318	57,511,431	63,017,548	5,856,983,130	186,926,223	6,043,909,353	6,043,909,353	1.0000
2016	5,014,371,175	1,104,091,897	58,749,109	63,704,550	6,240,916,731	209,798,255	6,450,714,986	6,450,714,986	1.0000
2017	5,359,750,309	1,226,598,661	75,276,105	68,634,181	6,730,259,256	212,376,474	6,942,635,730	6,942,635,730	1.0000
2018	5,646,827,286	1,357,155,853	77,211,922	72,559,603	7,153,754,664	193,402,416	7,347,157,080	7,347,157,080	1.0000
2019	6,036,268,674	1,503,692,754	78,754,420	77,125,479	7,695,841,327	191,580,394	7,887,421,721	7,887,421,721	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	
2010	1.0000	1.0000	0.0804	0.0000	1.0804
2011	1.0000	1.0000	0.0834	0.0000	1.0834
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

Source: California Municipal Statistics

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

Property Owner	Primary Land Use	2018-19			% of Total(1)	Property Owner	Primary Land Use	2009-10		
		Assessed Valuation	Rank					Assessed Valuation	Rank	Total(2)
Google Inc.	Office Building	\$ 411,475,337	1	5.35%	ASN Tanforan Crossing I LLC	Apartments	\$ 155,053,067	1	3.08%	
Crystal Springs Associates	Apartments	183,981,497	2	2.39%	The Gap Inc.	Office Building	133,063,864	2	2.64%	
Shops at Tanforan Associates LLC	Shopping Center	159,383,943	3	2.07%	Bayhill Four Associates	Office Building	127,800,000	3	2.53%	
ASN Tanforan Crossing I LLC	Apartments	152,238,844	4	1.98%	Tanforan Park Shopping Center	Shopping Center	95,245,333	4	1.89%	
Walmart Stores Inc	Office Building	130,361,803	5	1.69%	Sears Holdings Corp.	Shopping Center	56,245,175	5	1.12%	
Seritage SRC Financial LLC	Shopping Center	101,959,200	6	1.32%	CREA-San Bruno LLC	Office Building	52,900,000	6	1.05%	
San Bruno III Financing LP	Apartments	93,480,024	7	1.21%	Landmark Towne Center	Shopping Center	40,770,137	7	0.81%	
Gap Inc.	Office Building	65,766,447	8	0.85%	FW CA Bay Hill Shopping Center	Shopping Center	35,809,015	8	0.71%	
Welch Family Partnership	Commercial	65,390,563	9	0.85%	Aimco San Bruno Apartments	Apartments	35,798,556	9	0.71%	
Benringer Harvard Acappella LP	Apartments	60,931,691	10	0.79%	Crystal Springs Associates	Apartments	31,671,897	10	0.63%	
Subtotal		<u>\$ 1,424,969,349</u>		<u>18.52%</u>			<u>\$ 764,357,044</u>		<u>15.16%</u>	
Total Local Secured Assessed Valuation:										
(1) Fiscal Year 2018-19		7,695,841,327								
(2) Fiscal Year 2009-10		5,041,541,250								

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, 2019

Name	Address
All Shores	135 El Camino Real
Apex Systems, Inc.	1111 Bayhill Dr Ste 240
Araujo's Restaurant & Taqueria	404 San Bruno Ave W
Best Buy Store #1896	1250 El Camino Real #111
BHHS California Realty	180 El Camino Real
Century Theaters Inc.#494	1188 El Camino Real
Courtyard By Marriott San Francisco Airport	1050 Bayhill Dr
Crestmoor Auto Center	2901 San Bruno Ave W
Crystal Springs Associates	2000 Crystal Springs Rd
CVS/Pharmacy #9807	10 Bayhill Shopping Ctr
Davita RX, LLC#1685	1178 Cherry Ave
Dynamic Signal Inc.	1111 Bayhill Dr Ste 125
El Camino Valero-Gas	800 El Camino Real
Evergreen Ridge Apartments	3815 Susan Dr
Grand Electric Construction Co. Inc.	133 Tanforan Ave
Green Creative	1200 Bayhill Dr Ste 220
Interfresh Inc.	901 Sneath Ln. #215
J.C. Penney Corp. Inc.	1122 El Camino Real
Lowe's Home Centers LLC	1340 El Camino Real
Lunardi's Market	2801 San Bruno Ave W
Melody Toyota	750 El Camino Real
Providence San Bruno	890 El Camino Real
PT Gaming LLC	659 Huntington Ave
Rollingwood Chevron	2001 Rollingwood Dr
Sam's Club.Com/Walmart Stores Inc.	950 Elm Ave
San Bruno Arco Gas	1799 El Camino Real
San Bruno BB Mobil	717 San Bruno Ave E
San Bruno Gas	401 San Mateo Ave
Sears Operations, LLC #1478	1322 El Camino Real
Select Staffing	101 El Camino Real
Splendid By Porvenir	1001 Bayhill Dr Fl 2
Tanforan Shell	1199 El Camino Real
Target Store T1054	1150 El Camino Real
Trumpet Behavioral Heath LLC	751 Camino Plaza
Vantagepoint Capital Partners	1111 Bayhill Dr Ste 220
Victory Honda of San Bruno	345 El Camino Real
Vince's Shell Fish Co. Inc.	1063 Montgomery Ave.
Walmart.Com USA LLC	850 Cherry Ave
You Tube 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
2010	\$ 4,668,992	\$ 4,668,992	100%	-	\$ 4,668,992	100%
2011	4,596,877	4,596,877	100%	-	4,596,877	100%
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%

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 Bonds	Fire Apparatus 2017 Capital Lease	Cable Router Capital Lease	Subtotal
2010	714,622	-	-	-	714,622
2011	365,592	-	-	-	365,592
2012	240,306	-	-	-	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

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				
2010	8,475,000	-	-	-	1,471,489	13,152,660	23,099,149	23,813,771	44,294	537.63	1.5%
2011	8,260,000	-	-	-	1,219,296	12,246,088	21,725,384	22,090,976	41,842	527.96	1.6%
2012	8,035,000	-	-	-	874,252	11,315,552	20,224,804	20,465,110	42,451	482.09	1.4%
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	1.7%
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%

Fiscal Year Ended June 30,	Fiduciary Funds	
	Certificates of Participation	2019 Lease Revenue Bonds
2010	8,145,000	-
2011	7,920,000	-
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

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2019

2018-19 Assessed Valuation: \$ 7,887,421,721

Overlapping Tax and Assessment Debt:	Total Debt 6/30/19	% Applicable (1)	City's Share of Debt 6/30/19
San Mateo Community College District	\$ 801,050,076	3.530%	\$ 28,277,068
South San Francisco Unified School District	170,343,972	1.09	1,856,749
San Mateo Union High School District	511,074,086	9.83	50,238,583
San Bruno Park School District	32,142,299	91.365	29,366,811
Millbrae School District	53,784,527	2.843	1,529,094
Total overlapping tax and assessment debt			\$ 111,268,305

Ratios to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.41%

Direct and Overlapping General Fund Debt:

San Mateo County General Fund Obligations	\$ 551,005,360	3.530%	\$ 19,450,489
San Mateo County Board of Education Certificates of Participation	8,140,000	3.53	287,342
San Mateo County Flood Control District Certificates of Participation	16,815,000	6.762	1,137,030
South San Francisco Unified School District Certificates of Participation	3,585,000	1.09	39,077
San Bruno Park School District Lease Revenue Bonds	3,150,000	91.365	2,877,998
City of San Bruno Fire Apparatus 2017 Lease	444,214	100.00	444,214
City of San Bruno Pension Obligation Bonds	7,808,856	100.00	7,808,856
City of San Bruno CATV Router Lease	1,283,408	100.00	1,283,408
Total direct and overlapping general fund debt			33,328,414

Total Direct Debt 9,536,478

Total Overlapping Debt 135,060,241

Combined Total Debt⁽²⁾ \$ 144,596,719 (2)

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$9,536,478) 0.12%

Combined Total Debt 1.83%

State School Building Aid Repayable as of 6/30/19 \$ -

(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 2019 ⁽¹⁾

Gross Assessed Valuation	<u>\$ 7,887,421,721</u>
Bonded Debt Limit (3.75% of Assessed Value)	295,778,315
Less Amount of Debt Applicable to Limit	<u>-</u>
Legal Bonded Debt Margin	<u>\$ 295,778,315</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 748,091	\$ 737,577	\$ 782,820	\$ 798,292	\$ 842,892	\$ 906,586	\$ 967,607	\$ 260,349	\$ 275,518	\$ 295,778
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 748,091</u>	<u>\$ 737,577</u>	<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>
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	
2009	8,965,839	5,988,799	2,977,040	205,000	417,420	4.78
2010	9,603,366	5,845,007	3,758,359	210,000	409,860	6.06
2011	10,166,182	7,287,694	2,878,488	215,000	401,690	4.67
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
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
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

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)	San Mateo County					
		Total Personal Income (2)	Per Capita Personal Income (2)	Median Age(3)	**School Enrollment	County Unemployment Rate(4)	City Unemployment Rate(4)
2010	44,294	1,537,533,328	34,712	38.8	3,789	9.2%	N/A
2011	41,842	1,384,677,306	33,093	39.1	3,697	8.7%	N/A
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	1,609,096,610	26,234	38.5	3,900	3.2%	3.1%
2016	45,360	1,653,734,880	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%

Source: 2011-12 and prior, previously published CAFR 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 Parl

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	2018-19			2009-10***		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Walmart eCommerce Corporate Office	2,500	1	9.19%			
You Tube, Inc*	2,384	2	8.76%	400	2	17.52%
Skyline College**	772	3	2.84%			
Artichoke Joe's Casino	425	4	1.56%			
Target Store T 1054	300	5	1.10%	286	3	12.52%
San Bruno Park School District**	258	6	0.95%			
City of San Bruno	237	7	0.87%			
Lowe's HIW, Inc	175	8	0.64%	156	5	6.83%
Lucky Supermarkets	175	9	0.64%			
J C Penney CO	134	10	0.49%	237	11	10.38%
Cisco Ironport Systems, Inc				373	1	16.33%
Lash Group, Inc				309	8	13.53%
Sears, Roebuck & Co***				287	4	12.57%
Inquira, Inc				75	10	3.28%
Melody Toyota				67	9	2.91%
Vantagepoint Venture Partners				62	6	2.72%
Davita Rx, LLC				32	7	1.40%
Total Top Employers	7,360		27.06%	2,284		99.99%
Total City Labor (1)	27,200					

Source: Avenu Insights & Analytics

2008-09: 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1.75	1.75	2.00
City Treasurer	1.00	1.00	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	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00
Human Resources	1.75	1.75	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Finance										
Administration	5.00	5.00	5.00	4.50	5.00	5.00	5.00	5.50	5.50	5.00
Revenue Services	6.00	6.00	6.00	6.00	5.00	5.00	5.00	4.50	4.50	5.00
Police	61.00	61.50	59.00	60.00	61.50	62.50	62.50	64.00	65.00	68.00
Fire	33.50	33.50	32.50	32.75	32.75	33.30	33.40	35.00	35.00	35.00
Public Works										
Admin. & Engineering	7.75	6.75	6.75	6.75	6.70	6.70	6.70	6.70	6.70	6.70
Streets Maintenance	5.10	5.05	5.05	5.05	5.10	5.70	5.80	5.80	5.80	5.70
Community Development										
Planning	2.00	2.00	1.75	3.50	4.50	4.50	4.25	5.75	5.25	5.25
Building	4.00	4.00	4.25	6.50	6.50	7.50	7.75	8.25	8.75	8.75
Parks & Recreation Services										
Recreation	3.85	4.05	4.05	4.00	4.00	4.75	4.90	4.90	4.90	4.90
Parks Maintenance	15.50	14.35	13.35	13.80	13.80	14.30	13.05	13.05	13.05	15.05
Senior Services	2.15	2.25	1.25	3.35	3.35	3.45	3.75	3.65	3.65	3.65
Library Services	9.00	8.75	8.75	7.65	7.65	7.55	7.75	7.85	7.85	7.85
Subtotal	167.60	165.95	160.45	167.10	170.10	174.50	174.10	179.20	179.70	185.35
Special Revenues										
Solid Waste	0.25	0.35	0.35	0.35	0.35	0.35	0.45	0.45	0.45	0.45
RDA Operation	3.60	3.60	3.60	-	-	-	-	-	-	-
Successor Agency to SB RDA	N/A	N/A	N/A	1.00	-	-	-	-	-	-
RDA Low/Mod Housing	1.90	1.90	1.90	-	-	-	-	-	-	-
Subtotal	5.75	5.85	5.85	1.35	0.35	0.35	0.45	0.45	0.45	0.45
Internal Services										
Central Garage	3.95	3.35	2.85	2.85	2.35	2.35	2.35	2.35	2.35	2.35
Buildings and Facilities	7.00	6.10	6.10	5.70	5.70	6.45	7.05	7.05	7.05	8.05
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	1.00	1.00	0.50	1.00	1.00	1.00	1.00	1.00
Subtotal	14.95	13.45	12.95	12.55	11.55	12.80	13.40	13.40	13.40	14.40
Enterprise Funds										
Water Enterprise	16.90	17.30	17.30	17.30	16.95	17.45	17.45	17.95	17.95	17.95
Stormwater Enterprise	2.95	3.65	3.65	3.65	3.75	4.15	3.95	3.95	3.95	4.05
Wastewater Enterprise	14.10	14.55	15.55	15.55	15.80	16.30	16.30	16.80	16.80	16.80
Cable Enterprise	19.50	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Subtotal	53.45	55.50	56.50	56.50	56.50	57.90	57.70	58.70	58.70	58.80
Glenview Funds										
Crestmoor (Glenview) Recovery				5.00	4.25	3.70	3.70	2.00	0.50	-
Subtotal	N/A	N/A	N/A	5.00	4.25	3.70	3.70	2.00	0.50	-
Total Positions (all funds)	241.75	240.75	235.75	242.50	242.75	249.25	249.35	253.75	252.75	259.00

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Calls for Service	23,305	22,275	23,242	24,405	30,131	32,610	36,144	31,333	42,057	47,429
Physical arrests	1,371	1,401	1,371	989	1,071	1,224	1,280	1,311	1,087	1,627
Parking violations**	9,242	10,273	11,683	11,559	8,710	8,794	11,675	15,525	14,205	18,252
Traffic collisions	387	452	387	380	369	464	452	384	325	338
Moving citations	2,128	2,665	2,128	1,422	2,659	2,144	2,221	2,225	2,424	2,447
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,517	3,791	3,809	3,916	3,148	3,159	3,574	4,288	3,874	4,006
Number of inspection conducted**	1,300	1,341	1,381	1,358	1,326	1,375	1,420	1,360	1,307	1,415
Public Works										
Street repair (sq. ft.)	11,405	8,750	4,304	3,923	4,792	14,697	861,150	145,204	539,343	816,331
Potholes repaired	1,055	1,055	1,016	2,311	2,670	2,185	1,618	2,333	1,442	1,905
Sidewalk repair (sq. ft)	4,653	2,478	2,215	896	11,625	14,980	651	262	119,922	3,624
Sidewalk curb&gutter repair (ft)	481	89	62	85	927	1,397	109	886	26,041	700
Street light poles replaced					6	14	9	13	65	44
Community Development:										
Plans checks	413	389	384	340	340	527	553	445	549	688
Permits Issued	1,178	1,575	1,375	1,284	1,283	1,339	1,622	1,500	1,468	1,455
Parks & recreation:										
Picnic rentals	*	766	813	673	934	954	859	842	888	820
Number of trees planted	*	*	*	*	63	120	75	100	100	100
Linear miles of medians maintained	*	*	*	*	7.35	7.35	7.35	7.35	7.35	7.35
Library:										
Library circulation	*	374,496	372,162	388,066	358,362	354,047	329,210	337,671	334,711	353,015
Library visits	*	239,916	239,649	228,835	248,563	219,343	182,263	179,150	190,466	205,851
Water										
New service connections	353	320	271	265	442	263	285	363	243	282
Gallons purchased(millions of gallons)	*	584	796	725	600	477	507	948	950	1,102
Stormwater										
Number of curb miles swept	*	*	*	*	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
Cable										
Number of Internet service subscribers	*	*	*	*	6,085	6,111	6,337	6,460	6,600	7,260
Number of new customer installations	*	*	*	*	953	1,121	1,208	1,031	1,200	1,500

* 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 Five Fiscal Years
 (Fiscal year ended June 30)

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

Note:

* Historical data is not available

Source: City of San Bruno

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