



City of San Bruno, California

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

(with comparative totals for the Fiscal Year Ended June 30, 2019)



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CITY OF SAN BRUNO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PREPARED BY:
FINANCE DEPARTMENT

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**CITY OF SAN BRUNO, CALIFORNIA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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INTRODUCTORY SECTION

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January 15, 2021

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

Dear Mayor and Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) for the City of San Bruno is submitted for the fiscal year ended June 30, 2020. The City compiles and assists in the preparation of the annual financial report covering the financial condition and results of operations for the City. Responsibility for the accuracy of the data and fairness of presentation, including all footnotes and disclosures, rests with the City.

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

The City's financial statements have been audited by the certified public accounting firm of Maze & Associates. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent audit provides reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of material misstatements.

Maze & Associates concluded there is a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2020 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 45,454.

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. The City's CityNet enterprise provides cable television, internet, streaming services, and telephone services. General government activities include city administration, legal services, finance, human resources, and technology. The City employs 265 full-time equivalent positions.

The annual operating and capital budget serves as the foundation for the City's financial planning and control. All departments and divisions are required to submit requests for appropriations to the City Manager. These requests are used as the starting point for developing a proposed operating and capital budget. The City Manager and Finance Director then present the proposed budget for 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 increasing housing values and sales activity in the City and across the region. While the COVID pandemic that began in March 2020 caused a nationwide recession, the City's unemployment rate was below 3% prior to the recession. Also prior to COVID, job growth over the last several years led to rising home prices and an increase in commercial and residential development activity. The immediate future of the commercial real estate market is uncertain at this time, but the residential market still appears strong. At this point, it is uncertain how long the recession will transpire. Initial results are a decline in sales taxes with businesses shut down and a dramatic reduction in transient occupancy taxes (TOT) as travel has dropped off precipitously due to the pandemic.

Financial Policies and Planning

The City's long-term financial policies place an emphasis on sufficient reserves ensuring the City has adequate funds available to meet future needs. Through its prudent fiscal management and use of budgetary controls, the City has managed to grow its reserves during the past several years in compliance with the City Council adopted reserve policy. The City has a formal policy to limit the use of one-time/non-recurring revenues to balance the budget and directs these funds to reserves whenever feasible. For fiscal year 2020-21, major budget reductions were needed to keep the budget in balance; due to the COVID pandemic, it is expected that trend will continue into the near future.

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.

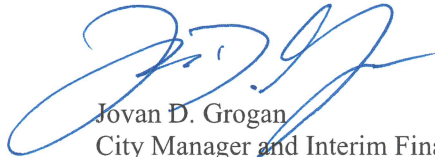
Awards

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, 2019. 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

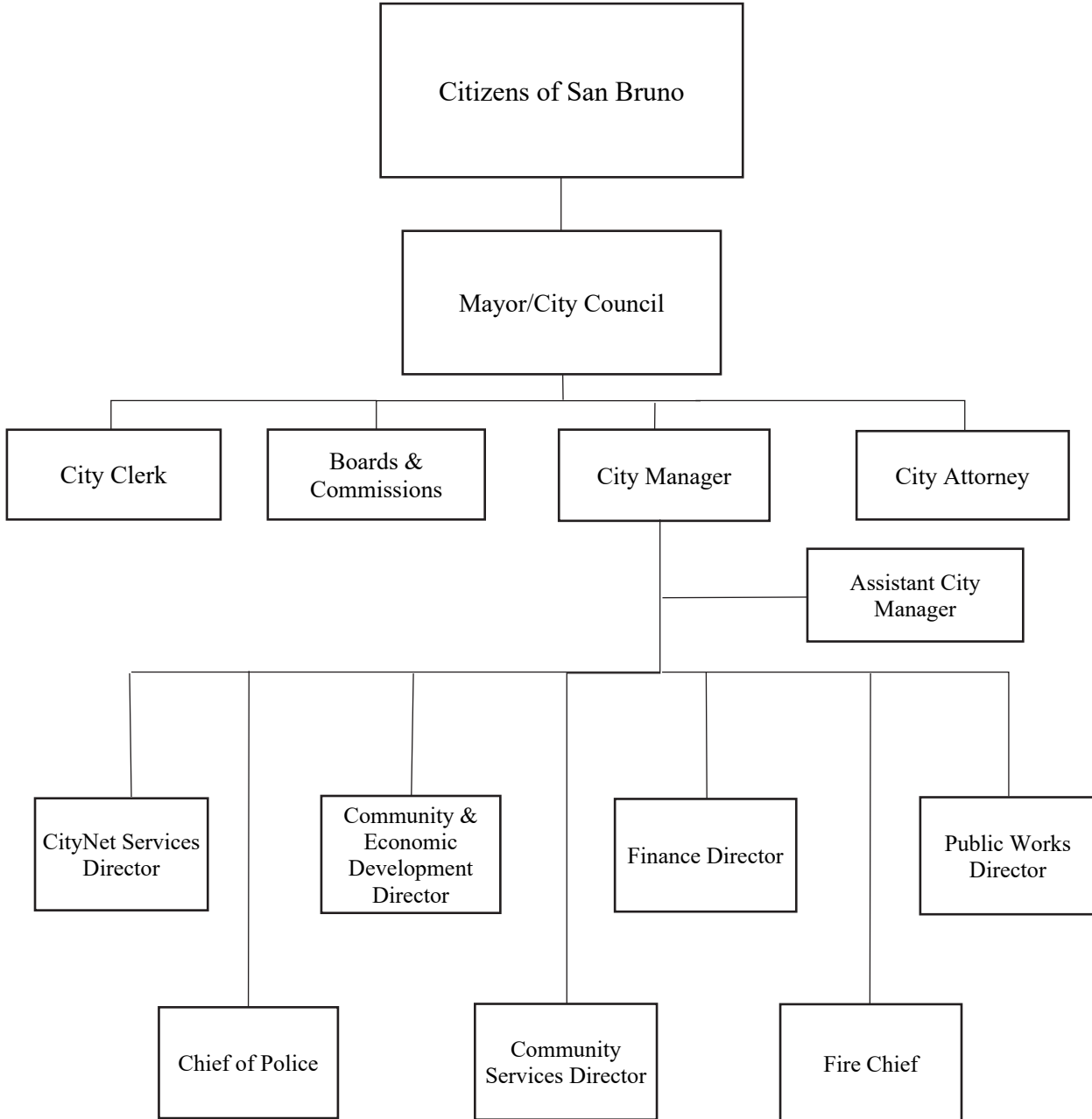
I would like to express my appreciation for the collective effort that was required for the preparation of this Comprehensive Annual Financial Report. I would like to thank the City Council for its interest and policy oversight on the various fiscal issues addressed during the year. In addition, the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

Respectfully submitted,



Jovan D. Grogan
City Manager and Interim Finance Director

CITY OF SAN BRUNO ORGANIZATION CHART



Directory of Officials

Elected Officials

Rico E. Medina
Michael Salazar
Laura Davis
Marty Medina
Linda Mason

Mayor
Vice Mayor
Council Member
Council Member
Council Member

Administrative Personnel

Jovan D. Grogan
Jennifer Brizel
Marc Zafferano
Keith DeMartini
Darcy Smith
Vacant
Ari Delay
Ryan Johansen
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
CityNet Services Director
City Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Bruno
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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, 2020, 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, 2020, 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 a Matter

CityNet Services Enterprise Fund – Operating Loss and Deficit Net Position

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of American, which contemplate the continuation of the City as a going concern. The CityNet Services Enterprise Fund has an operating loss of \$1,749,417 and a deficit net position of \$16,972,152 for the year ending June 30, 2020. The CityNet Services fund has interfund balances due to negative cash in the amount of \$13,600,209. If deficit spending continues in the CityNet Services fund and it continues to borrow from the General Fund, it reduces the likelihood that the CityNet Services fund will be able to continue as a going concern.

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

Report on Summarized Comparative Information

We have previously audited the City’s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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 January 15, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
January 15, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. The intent of this discussion and analysis is to present a full picture of the City's financial performance. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their overall understanding.

Financial Highlights for Fiscal Year 2019-20

It is notable that the last four months of the fiscal year were severely impacted by the nationwide COVID-19 epidemic.

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2020 by \$146.9 million. Of this amount, \$123.1 million was invested in capital assets. \$37.8 million was restricted net position and must be used for specific purposes. The remaining \$(14.0) million represents unrestricted net position. The negative unrestricted net position was 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 City's governmental activities program and general revenues matched expenses of \$58.9 million. Total revenues increased minimally by \$0.6 million from fiscal year 2018-19. After transfers to other funds of \$1.3 million, governmental net position decreased by \$1.2 million to \$36.3 million.
- The City's business-type activities program revenues and general revenues from the four enterprise operations of \$46.5 million were greater than expenses of \$38.4 million by \$8.1 million. Approved water and sewer rate increases contributed to the growth. After transfers in from other funds of \$1.3 million, business-type activities net position increased by \$9.4 million to \$110.6 million.
- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$49.5 million, an increase of \$1.8 million compared to the prior year. The increase is attributable to revenues exceeding expenditures by \$3.0 million. The City received a one-time receipt of \$3.2 million in park in-lieu funds for the 111 San Bruno Avenue development project.
- The City received two new funding sources from the passage of Measure G and Measure W, approved by San Bruno voters. Measure G, which was approved on November 3, 2019, is a local sales tax funded through a half-cent transactions and use tax. Proceeds will fund various city services and facilities such as neighborhood police patrols, fire prevention services, urban wildfire protection, crime suppression and investigation, pothole and street repair, increasing parking supply, upgrading parks, other city services and facilities, and expanding services to support local businesses. Transactions and use tax revenue became effective on April 1, 2020 and the City collected nearly \$0.5 million by fiscal year end. San Mateo County voters passed Measure W on November 3, 2018 to improve transit and relieve traffic congestion from a half-cent transactions and use tax. The measure, which went into effect July 1, 2019, funds local street repair, grade separations for Caltrain tracks that intersect local streets, expanded bicycle and pedestrian facilities, and improved transit connections. The City received approximately \$0.4 million by fiscal year end.
- The City's General Fund reserve fund balances as of June 30, 2020 totaled: General Fund Reserve, \$11.8 million, General Fund Contingency Fund, \$1.3 million, Emergency Disaster Reserve, \$1.9 million, Capital Improvement/One-Time Initiative Reserve, \$4.6 million, and General Fund Equipment Reserve, \$3.3 million. See Note 6 for further details. Other reserves include the internal service fund reserves for Central Garage, Building and Facilities, and Technology totaling \$0.6 million.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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 25 and 26 of this report.

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

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

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

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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 30 of this report.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, self-insurance, technology 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 36 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 44 of this report.

Notes to the Basic Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 47 of this report.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 90 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on page 102 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 \$146.9 million at the close of fiscal year 2019-20.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 56,825,673	\$ 56,069,759	\$ 77,706,210	\$ 79,154,616	\$ 134,531,883	\$ 135,224,375
Capital assets, net	70,520,860	68,080,105	101,999,056	93,273,732	172,519,916	161,353,837
Total assets	<u>127,346,533</u>	<u>124,149,864</u>	<u>179,705,266</u>	<u>172,428,348</u>	<u>307,051,799</u>	<u>296,578,212</u>
Deferred outflows of resources	15,162,787	15,544,511	1,907,290	2,077,896	17,070,077	17,622,407
Current liabilities	10,233,615	10,808,677	8,759,572	9,837,491	18,993,187	20,646,168
Noncurrent liabilities	92,473,665	88,221,516	61,961,827	63,151,351	154,435,492	151,372,867
Total liabilities	<u>102,707,280</u>	<u>99,030,193</u>	<u>70,721,399</u>	<u>72,988,842</u>	<u>173,428,679</u>	<u>172,019,035</u>
Deferred inflows of resources	3,480,503	3,093,632	287,190	315,148	3,767,693	3,408,780
Net Position						
Net investment in capital assets	69,271,484	66,352,483	53,787,761	42,964,412	123,059,245	109,316,895
Restricted	22,102,576	18,534,689	15,720,390	27,693,026	37,822,966	46,227,715
Unrestricted	(55,052,523)	(47,316,622)	41,095,816	30,544,816	(13,956,707)	(16,771,806)
Total net position	<u>\$ 36,321,537</u>	<u>\$ 37,570,550</u>	<u>\$110,603,967</u>	<u>\$101,202,254</u>	<u>\$ 146,925,504</u>	<u>\$ 138,772,804</u>

By far the largest portion of the City’s net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, equipment, and vehicles) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets (\$123.1 million) to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (\$37.8 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 \$(14.0) million. The negative balance is a result of the City’s recognition of net pension liability amounting to \$94.8 million, as required by GASB 68.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

The City’s overall net position increased by \$8.2 million from the prior fiscal year. Key elements of these changes are as follows:

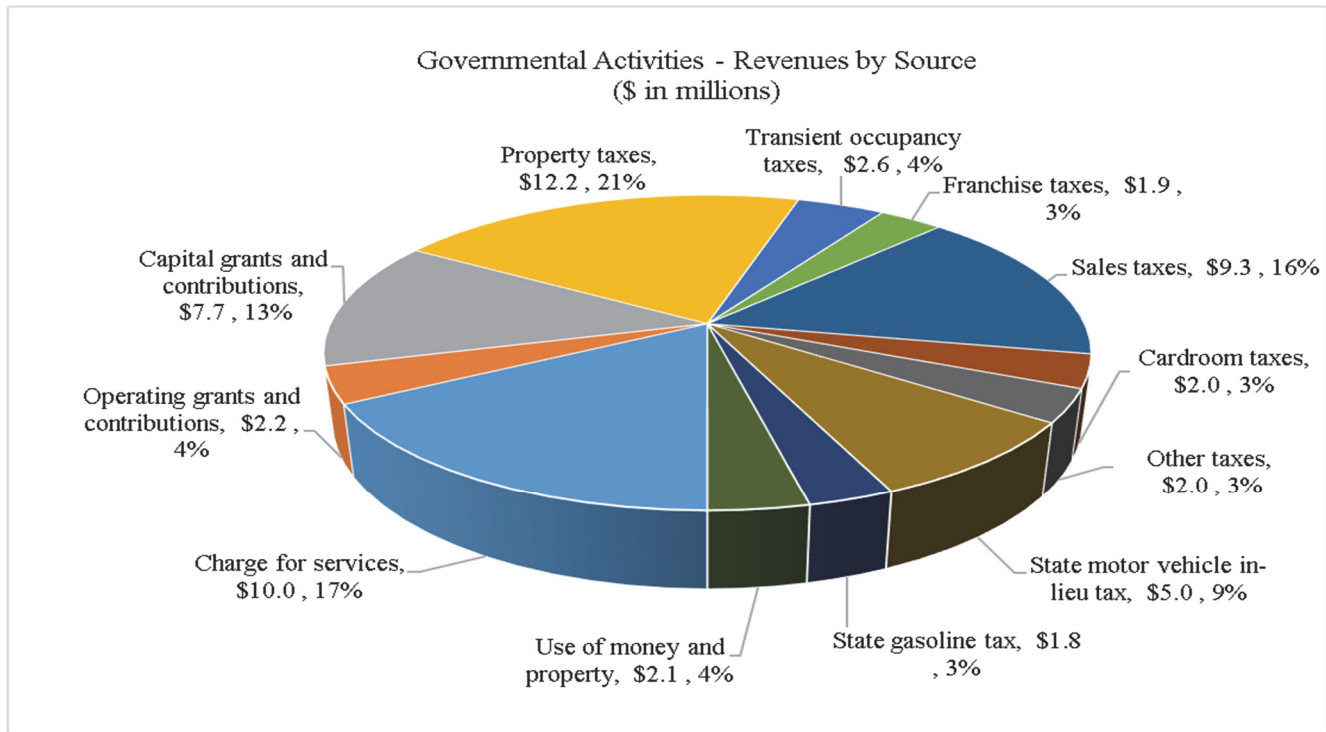
Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charge for services	\$ 10,039,023	\$ 10,929,207	\$ 45,121,825	\$ 45,158,104	\$ 55,160,848	\$ 56,087,311
Operating grants and contributions	2,231,014	6,440,037	-	-	2,231,014	6,440,037
Capital grants and contributions	7,735,245	1,936,614	-	-	7,735,245	1,936,614
General revenues:						
Property taxes	12,212,891	11,846,367	-	-	12,212,891	11,846,367
Transient occupancy taxes	2,617,524	3,628,979	-	-	2,617,524	3,628,979
Franchise taxes	1,861,256	1,839,359	-	-	1,861,256	1,839,359
Sales taxes	9,281,920	8,764,449	-	-	9,281,920	8,764,449
Cardroom taxes	1,974,980	1,904,512	-	-	1,974,980	1,904,512
Other taxes	1,972,392	2,213,593	-	-	1,972,392	2,213,593
State motor vehicle in-lieu tax	5,013,326	4,909,295	-	-	5,013,326	4,909,295
State gasoline tax	1,844,231	1,811,108	-	-	1,844,231	1,811,108
Use of money and property	2,130,318	2,121,974	1,413,655	1,625,062	3,543,973	3,747,036
Total revenues	<u>58,914,120</u>	<u>58,345,494</u>	<u>46,535,480</u>	<u>46,783,166</u>	<u>105,449,600</u>	<u>105,128,660</u>
Expenses:						
General government	9,606,933	8,429,310	-	-	9,606,933	8,429,310
Public safety	31,788,329	29,772,551	-	-	31,788,329	29,772,551
Public works	1,566,728	2,332,672	-	-	1,566,728	2,332,672
Streets	4,224,797	3,505,727	-	-	4,224,797	3,505,727
Parks and recreation	5,817,710	6,147,260	-	-	5,817,710	6,147,260
Library	2,458,480	2,093,683	-	-	2,458,480	2,093,683
Community and economic development	3,057,191	2,955,685	-	-	3,057,191	2,955,685
Interest expense	373,262	388,594	-	-	373,262	388,594
Water	-	-	12,137,204	11,290,539	12,137,204	11,290,539
Stormwater	-	-	2,287,138	1,677,767	2,287,138	1,677,767
Wastewater	-	-	12,926,033	11,781,728	12,926,033	11,781,728
CityNet	-	-	11,053,095	12,183,104	11,053,095	12,183,104
Total expenses	<u>58,893,430</u>	<u>55,625,482</u>	<u>38,403,470</u>	<u>36,933,138</u>	<u>97,296,900</u>	<u>92,558,620</u>
Increase (decrease) in net position before transfers	20,690	2,720,012	8,132,010	9,850,028	8,152,700	12,570,040
Transfers	(1,269,703)	(720,000)	1,269,703	720,000	-	-
Increase (decrease) in net position	<u>(1,249,013)</u>	<u>2,000,012</u>	<u>9,401,713</u>	<u>10,570,028</u>	<u>8,152,700</u>	<u>12,570,040</u>
Net position - beginning	37,570,550	35,570,538	101,202,254	90,632,226	138,772,804	126,202,764
Net position - ending	<u>\$ 36,321,537</u>	<u>\$ 37,570,550</u>	<u>\$ 110,603,967</u>	<u>\$ 101,202,254</u>	<u>\$ 146,925,504</u>	<u>\$ 138,772,804</u>

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Governmental Activities



Governmental activities decreased the City’s net position by \$1.2 million, with a total net position of \$36.3 million at the end of the fiscal year. Overall, revenues increased modestly by \$0.6 million to \$58.9 million over the prior year. While transient occupancy taxes decreased by \$1.0 million, 27.9%, as a result of COVID-19 and the statewide shelter in place order, other tax categories mitigated the decline in the general taxes category. Sales taxes increased \$0.5 million, 5.9%, with the addition of half-cent transactions and use tax revenues from the passage of Measure G and Measure W. The City’s largest tax category, property taxes, increased slightly by \$0.4 million, 3.1%, while State revenues from motor vehicle in-lieu tax and gasoline tax remained strong increasing by over \$0.1 million, 2%. Expenses increased \$3.3 million, 5.9%, primarily in general government, public safety, and streets programs.

The cost of all governmental activities this year was \$58.9 million. As shown in the statement of activities, the amount that taxpayers paid for these activities with general revenues was \$38.9 million because some of the costs were paid by those specifically benefiting from the programs (\$10.0 million), by other governments and organizations subsidizing programs with grants, and contributions (\$10.0 million) for operations and capital improvement.

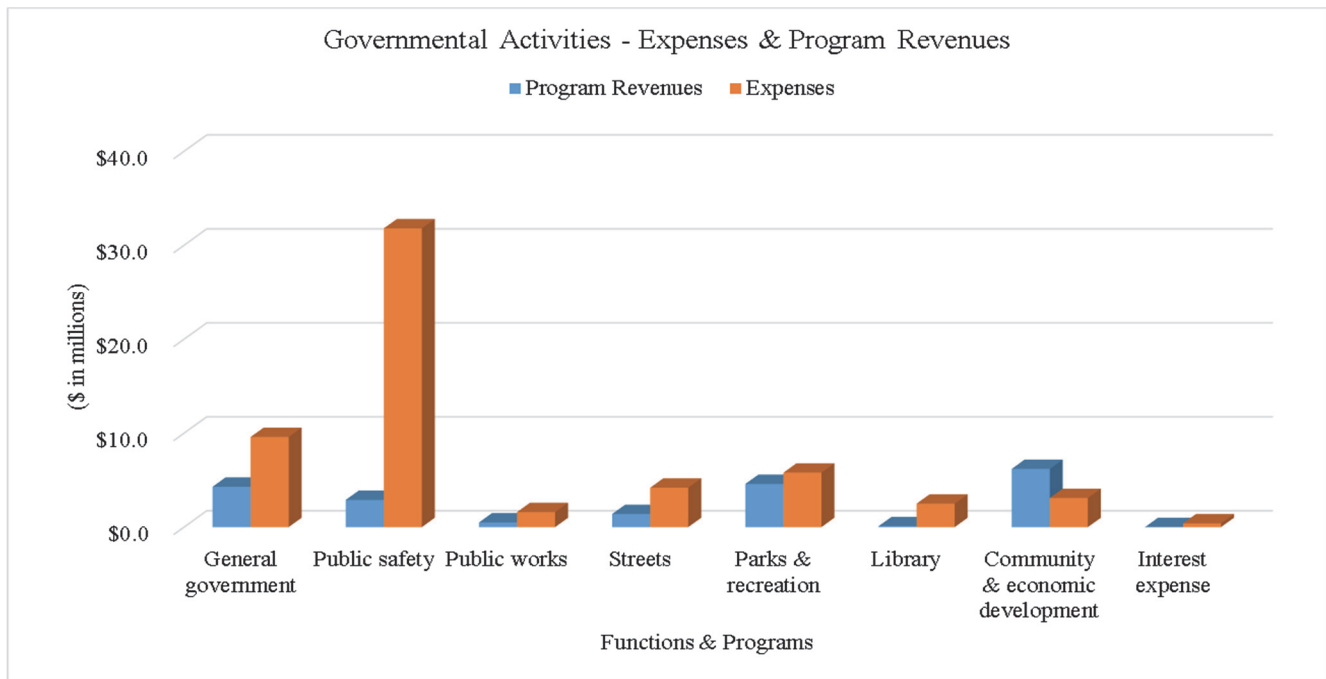
CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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	
	2020	2019	2020	2019	2020	2019
	Governmental activities:					
General government	\$ 4,274,900	\$ 7,288,600	\$ 9,606,933	\$ 8,429,310	\$ (5,332,033)	\$ (1,140,710)
Public safety	2,911,875	3,433,237	31,788,329	29,772,551	(28,876,454)	(26,339,314)
Public works	525,924	414,358	1,566,728	2,332,672	(1,040,804)	(1,918,314)
Streets	1,365,190	1,251,525	4,224,797	3,505,727	(2,859,607)	(2,254,202)
Parks and recreation	4,616,011	3,788,565	5,817,710	6,147,260	(1,201,699)	(2,358,695)
Library	79,395	46,480	2,458,480	2,093,683	(2,379,085)	(2,047,203)
Community and economic development	6,231,987	3,083,093	3,057,191	2,955,685	3,174,796	127,408
Interest expense	-	-	373,262	388,594	(373,262)	(388,594)
Total governmental activities	\$ 20,005,282	\$ 19,305,858	\$ 58,893,430	\$ 55,625,482	\$ (38,888,148)	\$ (36,319,624)

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



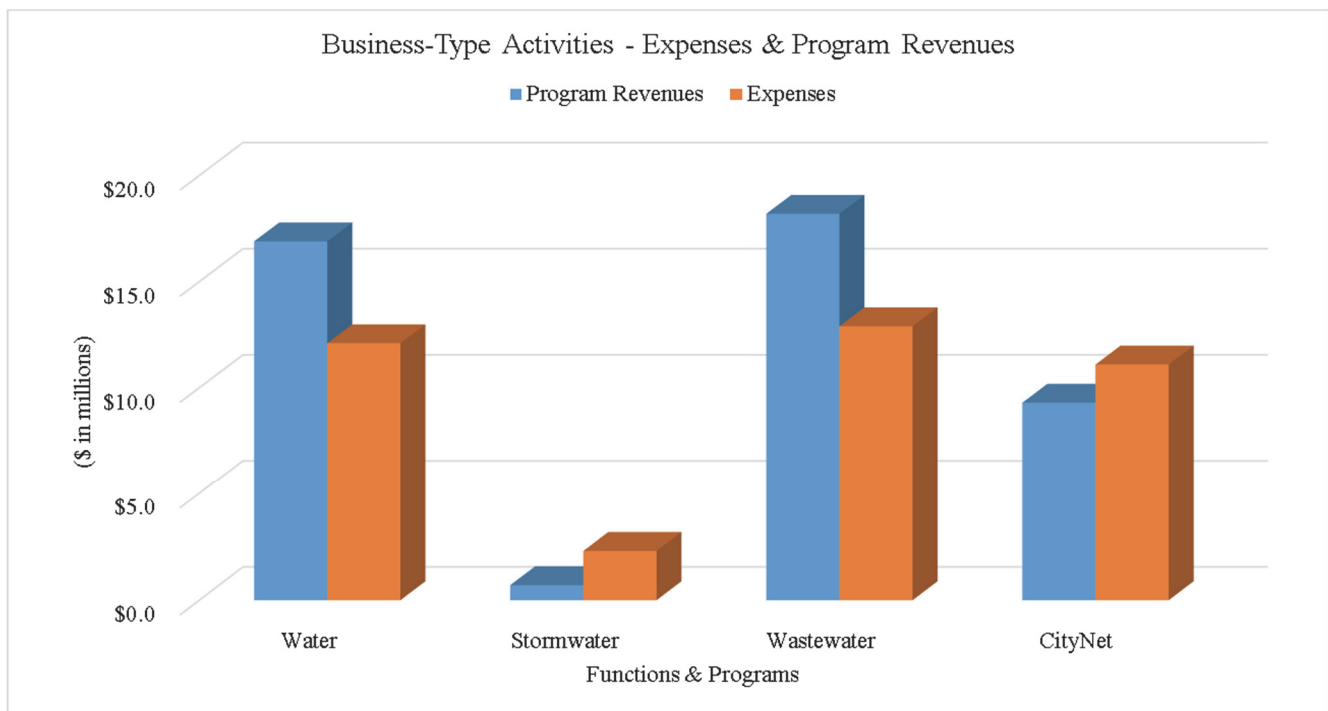
CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Business-type Activities

The City’s business-type activities include water, stormwater, wastewater, and CityNet. While water and wastewater are true enterprise funds that pay for their services through user fees, both stormwater and CityNet require funding from the General Fund, as user fees do not cover all operating or capital costs. The results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$110.6 million. The total increase in net position for business-type activities was \$9.4 million. The Water and Wastewater Funds directly contributed to the growth because of an annual 5% rate increase to maintain utility infrastructure. Charges for services of \$16.9 million and \$18.2 million covered expenses of \$12.1 million and \$12.9 million, respectively. Stormwater charges for services of \$0.6 million continued to be insufficient to support expenses of \$2.3 million. CityNet charges for services of \$9.3 million also continued to be insufficient to support expenses of \$11.0 million. Total resources available during the year to finance business-type activities were \$47.8 million consisting of program revenues, investment income, and transfers. Total business-type activities expenses during the year were \$38.4 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, 2020

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	
	2020	2019	2020	2019	2020	2019
	Business-type activities:					
Water	\$ 16,936,737	\$ 17,037,634	\$ 12,137,204	\$ 11,290,539	\$ 4,799,533	\$ 5,747,095
Stormwater	650,555	648,323	2,287,138	1,677,767	(1,636,583)	(1,029,444)
Wastewater	18,230,960	17,732,648	12,926,033	11,781,728	5,304,927	5,950,920
CityNet	9,303,573	9,739,499	11,053,095	12,183,104	(1,749,522)	(2,443,605)
Total business-type activities	\$ 45,121,825	\$ 45,158,104	\$ 38,403,470	\$ 36,933,138	\$ 6,718,355	\$ 8,224,966

Financial Analysis of the City's Funds

Governmental Funds:

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

At June 30, 2020, governmental funds reported combined fund balances of \$49.4 million, an increase of \$1.8 million, or 3.7% over the prior year. Of this amount, \$5.6 million is unassigned and is available for spending at the City's discretion. The remainder of the fund balance is either restricted, committed, and assigned to indicate that it is (1) restricted for particular purposes, \$22.1 million; (2) committed for particular purposes, \$21.1 million; or (3) assigned for particular purposes, \$0.6 million.

Analysis of Individual Funds

The General Fund is the main operating fund of the City. For financial statement presentation purposes, the General Fund includes the operating fund, Measure G fund and reserve funds. At the end of the fiscal year, unassigned fund balance increased by \$0.5 million to \$5.6 million, while total fund balance decreased by \$1.8 million to \$27.4 million. Decreases were mainly due to shortfalls from taxes, licenses and permits, and charges for services. Since the unassigned fund balance represents available liquid resources for spending at the City's discretion, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 11.7 %, or equates to 41 days, of total General Fund expenditures, while total fund balance represents 56.6%, or equates to 198 days, of that same amount. Fund balance includes committed amounts totaling \$21.1 million in reserves, which are spendable resources through resolution of the City Council.

The Street Improvement Capital Projects Fund, a major fund, had a \$0.5 million decrease in fund balance because capital outlay expenditures exceeded grant reimbursement revenues by \$0.3 million. Some capital projects were financed from transfers into the fund from prior years. Another reason for the decrease in fund balance was transfers out exceeded transfers in from other funds by \$0.2 million. Several projects funded by the General Fund Capital Improvement Reserve Fund were delayed and/or defunded to balance the General Fund operating fund. During the mid-year financial update, staff anticipated the General Fund would face a \$4.2 million revenue shortfall. Capital projects that were delayed included Traffic Signal Priority Control System and Bicycle Parking Racks Installation. In addition to delaying capital projects, excess funding for projects completed during the year were reverted back to the source fund. Capital projects that were completed during the year included Downtown Parking Lot Rehabilitation, 2018 Street Rehabilitation, Lower San Bruno Medians Improvement, and Transit Corridor Pedestrian Connection Improvement Phase II.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

Proprietary Funds:

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

Water Fund net position increased by \$5.7 million to \$60.0 million as a result of planned rate increases approved by City Council in 2017, which will be used to implement a number of critical infrastructure improvement projects in the coming years. A five-year rate plan was established and provides for annual 5% rate increases through June 30, 2022.

Wastewater Fund net position increased by \$6.3 million to \$60.6 million as a result of planned rate increases approved by City Council in 2017, which will be used to implement a number of critical infrastructure improvement projects in the coming years. A five-year rate plan was established and provides for annual 5% rate increases through June 30, 2022.

Stormwater Fund net position decreased by \$0.4 million to \$5.6 million due to operating expenses exceeding revenues and transfers in. The long-range financial forecast, without any additional dedicated revenue to support the enterprise, is projected to yield a negative fund balance beginning in FY2021-22 with the negative fund balance each year thereafter. The few stormwater system capital improvement projects are projected to be funded through the General Fund due to the lack of dedicated stormwater fees. The City will need to consider other funding sources, including the General Fund and a re-assessment of the current stormwater property assessment, to fund required Stormwater operations as well as a potential, dedicated funding source in the future.

CityNet Fund net position decreased by \$1.7 million to \$(17.0) million. This decline is primarily a result of operating expenses exceeding operating revenues. Depreciation expense of \$1.1 million and the impact of reflecting the GASB 68 pension expense in the fund of \$0.3 million also contributed to the net position decrease. As long as the enterprise remains in a financial deficit position, the impact falls on the City's General Fund to backfill the CityNet Fund shortfall. With the financial impacts of the recession uncertain at this point, and with the recent budget reductions implemented, the continued subsidization of CityNet will be a challenge.

General Fund Budgetary Highlights

The budget comparison information presented on page 90, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund, Measure G fund, and reserve funds.

Original Budget Compared to Final Budget:

During the fiscal year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to increase other revenues to account for a San Bruno Community Foundation grant receipt of \$0.3 million to fund a mobile command vehicle for the Police Department.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Final Budget Compared to Actual Results:

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

Revenues	Final Budget	Actual Revenues	Variance	Percent Change
Taxes	\$ 28,178,923	\$ 26,503,085	\$ (1,675,838)	-5.9%
Licenses and permits	6,139,808	3,631,419	(2,508,389)	-40.9%
Charges for services	3,701,506	2,918,239	(783,267)	-21.2%
Use of money and property	998,462	2,091,416	1,092,954	109.5%

The shortfall in revenue sources was caused by decreases in various tax categories, delayed development projects, and the COVID-19 pandemic. Tax revenues saw decreases in sales tax, business taxes, and transient occupancy tax. Sales tax activity through the end of March 2020 showed a modest increase of 3.1% over the prior year. The closure of Sears in Tanforan Mall and overall lower consumer activity was further exacerbated by COVID-19 and the shelter in place order that followed on March 19, 2020. By fiscal year end, sales tax revenue came in \$0.6 million, or 7.8%, under budget. Business taxes decreased by \$0.7 million because Skypark, an airport parking facility serving airport customers and located on San Mateo Avenue, ceased operations at the end of January 2020. Skypark was subject to an airport parking facility tax based on gross receipts. Transient occupancy tax was trending flat compared to the prior fiscal year before COVID-19. As business travel significantly declined in the last quarter of the fiscal year, transient occupancy tax receipts dropped sharply and the City collected \$0.9 million, or 26%, less than estimated. The 19-20 budget for licenses and permits included a projection for anticipated building permit revenue from multiple large development projects. Most of the larger development projects experienced delays, for various reasons, which resulted in permit revenue coming in \$2.5 million, or 41%, less than estimated. The charges for services category is made up of various program revenues primarily from the Police Department and Recreation Services Division. The COVID-19 pandemic and resulting statewide shelter-in-place order impacted various recreation programs, which generates most of its revenues in the fourth quarter. By fiscal year end, charges for services came in close to \$0.8 million, or 21%, less than estimated. One positive trend was the use of money and property category, which increased by 109%, or approximately \$1 million. 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.

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

Expenditures	Final Budget	Actual Expenditures	Variance	Percent Change
Parks and recreation	\$ 6,475,282	\$ 5,665,481	\$ 809,801	14.3%
Capital outlay	1,267,274	669,484	597,790	89.3%

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, total expenditures were \$48.4 million, which is \$2.2 million, or 4% under budget. Parks and Recreation Services Divisions expenditures were \$0.8 million, 14.3%, below budget due to vacant positions and savings in supplies and contractual services because of program closures related to COVID-19 and the subsequent shelter-in-place order. Capital outlay expenditures were \$0.6 million, 89.3%, below budget due to deferring vehicle and equipment purchase.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, net capital assets of the governmental activities totaled \$70.5 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2019-20 fiscal year, net capital assets for governmental activities increased by \$2.4 million due to additions in excess of depreciation. For business-type activities, capital assets increased by \$8.7 million to \$102.0 million due to additions in excess of depreciation. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,649,235	\$ 4,649,235	\$ 576,842	\$ 576,842	\$ 5,226,077	\$ 5,226,077
Construction in Progress	5,429,970	17,058,399	12,827,848	12,351,313	18,257,818	29,409,712
Infrastructure	47,702,507	32,833,770	-	-	47,702,507	32,833,770
Sewer Plant	-	-	11,845,873	11,968,134	11,845,873	11,968,134
Buildings & Structures	7,412,166	7,934,158	68,474,433	58,693,437	75,886,599	66,627,595
Machinery & Equipment	5,326,982	5,604,543	8,274,060	9,684,006	13,601,042	15,288,549
Total	\$ 70,520,860	\$ 68,080,105	\$ 101,999,056	\$ 93,273,732	\$ 172,519,916	\$ 161,353,837

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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	
	2020	2019
Governmental Activities		
2017 Capital Lease Obligation	\$ 269,032	\$ 444,215
2018 Capital Lease Obligation	980,344	1,283,407
2013 Pension Obligation Bond	6,948,374	7,808,856
Subtotal Governmental Activities Debt	<u>8,197,750</u>	<u>9,536,478</u>
Business-Type Activities		
Due to South San Francisco - 1997 Loan	1,680,517	2,212,542
Due to South San Francisco - 2007 Loan	2,525,314	2,911,010
2013 Wastewater Revenue Refunding Bond	5,512,383	5,825,258
2017 Wastewater Revenue Bond	26,235,949	26,763,483
2017 Water Revenue Bond	12,448,534	12,700,089
Subtotal Business-Type Activities Debt	<u>48,402,697</u>	<u>50,412,382</u>
Fiduciary Activities		
2019 Lease Revenue Bonds	4,956,642	5,299,064
Subtotal Fiduciary Activities Debt	<u>4,956,642</u>	<u>5,299,064</u>
Total Long-Term Debt Obligations	<u>\$ 61,557,089</u>	<u>\$ 65,247,924</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 2020-21 budget:

- Total General Fund revenues of \$48.8 Million projected for FY2020-21 represent a decrease of 8% compared to the FY2019-20 Amended Budget amounts. The majority of the overall revenue decline is in the multiple tax sources and departmental revenues categories.
- Property Taxes - Recent economic indicators show a flattening in housing values in the coming years, similar to what occurred in the months following the recessions of 9/11 and the Great Recession. As a result, property tax revenue is expected to show a slight increase over the prior fiscal year budget primarily due to a large property reassessment anticipated to occur.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

- Sales and Use Tax of 9.75% is assessed on every taxable sale in San Bruno. Of the 9.75%, the City receives 1.5% or about 15% of the total tax. For FY2020-21 total sales and use tax revenue is anticipated to decrease by 18% from the prior year's budgeted amount due to the projected continued limited commercial activity that is occurring during the shelter-in-place order and into the first half of FY2020-21. Some retailers have experienced an increase in sales tax activities during the shelter-in-place, but most have experienced a decline. Staff are also anticipating many businesses to take advantage of the State's sales tax deferral program to delay remittance of sales tax revenues to the State to assist with cash flow support, which will also result in a delay of tax revenue to the City.
- Transient Occupancy Tax (TOT) in the amount of 12% is collected on the cost of each room rental at each of the 12 lodging establishments in the City. The economic impacts of COVID-19 have already had and will continue to have an impact on hotel operators in San Bruno and across the state. Industry experts expect 75-90% occupancy decline in March through May and beyond. Significant business travel reductions may have long-lasting implications for TOT revenue for years to come as well. Staff are projecting a decline of 40% of TOT revenue in FY2020-21 compared to the prior year budget which represents a \$1.4 Million loss of revenue to the City.
- Business License Tax - SkyPark, a parking facility serving airport customers, located on San Mateo Avenue, has ceased operations as of the end of January 2020. SkyPark was subject to an airport parking facility tax based on their gross receipts. The closure of SkyPark and the loss of this tax revenue has been incorporated into the FY2020-21 budget. The economic impacts of COVID-19 are not anticipated to have an impact on business license tax revenue in FY2019-20; however, since the annual tax is based on prior year gross receipts for most business activity, FY2020-21 business license tax revenue is projected to decline from reduced activity in March through June of 2020.
- Departmental Revenue - Three departments 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 to decline significantly compared to the FY2019-20 budget primarily due to reduced building permit activity and recreation programming.
- After incorporating all revenue and expenditure changes for next year, the City identified a \$8.2 million shortfall in the General Fund. Staff developed multiple budget balancing strategies in order to address the deficit. The table below summarizes the budget balancing strategies included in this adopted budget. After incorporating the strategies, General Fund expenditures are projected to decrease by 3% compared to the FY2019-20 amended budget. Continued strain will occur due to COVID, and uncertainty in the economic climate.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Budget Balancing Strategy</u>	FY2020-21 Adopted Budget Reductions
CIP Project De-Funding, Alternative Funding or Scope Change	\$ 1,569,900
Delay filling 13 vacant positions in multiple departments	1,765,160
Personnel reduction of 1 Senior Code Enforcement Officer	158,130
Operating Expense Reductions	107,900
Eliminate Annual Equipment Reserve Allocation	340,600
Additional fund balance – transfer in from other funds	400,000
Utilize Measure G District Transactions & Sales Tax Funds	2,000,000
Utilize General Fund Reserves	587,910
Utilize Available Fund Balance in the General Fund	544,000
Personnel Cost Reductions (various measures, subject to bargaining)	1,701,500
Total	\$ 9,175,100

- Employee salary and benefit costs represent the largest category of expenditures in the City’s Operating Budget at 70% of total expenditures. Employee retirement benefits total \$8.9 million, or 24% of the cost of employee salaries in the fiscal year 2020-21 budget. This amount represents an increase of \$867,532 compared to the fiscal year 2019-20 budget. The City continues to experience significant impacts from increasing costs for retirement benefits through the CalPERS system. Employee medical benefits are provided through the Teamster’s Health and Welfare Trust and amount to \$4.6 million in FY2020-21. The Trust notifies the City of the projected premium increase at the end of each calendar year.
- 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 2020-21 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 have been in place since 1994 and are inadequate to fund ongoing operations and necessary equipment and capital investments to meet federal requirements. The long-range financial forecast, without any additional dedicated revenue to support the enterprise, is projected to yield a negative fund balance beginning in FY2021-22 with the negative fund balance each year thereafter. The few stormwater system capital improvement projects are projected to be funded through the General Fund due to the lack of dedicated stormwater fees. The City will need to consider other funding sources, including the General Fund and a re-assessment of the current stormwater property fee, to fund required Stormwater operations as well as a potential, dedicated funding source in the future.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

- CityNet Fund - With great strides made in FY2019-20 to control expenses and focus on higher margin business, annual operating revenues have been budgeted to yield a slight budget surplus over operating and equipment expenditures. Despite unplanned technology expenses for Cybersecurity and the move of the headend to a remote facility, additional operational savings have been realized by reducing supplies and overtime expense. A rate increase that was planned prior to the COVID-19 pandemic took effect on April 1, 2020 for many CityNet Services subscribers. It was necessary to apply the new rate structure in order to continue to provide the service offered to the public for local television, phone and internet services. The cost of doing business with television channel providers and equipment vendors in the pay-tv industry have made it imperative that the City raise the rates to pay costs. In the long-range financial forecast, the negative fund balance is not expected to change significantly from the approximate \$13.6 Million in FY2020-21 over the next 4 years. It is noteworthy that since the COVID outbreak and the economic recession, CityNet revenues appear to be coming in less than budget.
- The fiscal year 2020-21 Capital Improvement Program (CIP) identifies more than 100 funded and underfunded projects/programs organized in 9 categories. A total of \$81.3 million in capital investment is programmed for the fiscal year to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. A total of \$45.0 million 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.

Contacting the City's Financial Management

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

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<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, 2020
(with comparative totals for June 30, 2019)

	Governmental	Business-Type	Totals	
	Activities	Activities	2020	2019
ASSETS				
Current assets:				
Cash and investments	\$37,508,476	\$69,100,227	\$106,608,703	\$96,252,712
Cash and investments with fiscal agent	141,616	15,720,390	15,862,006	27,835,541
Receivables (net):				
Taxes	1,865,429		1,865,429	1,620,427
Accounts	233	5,520,232	5,520,465	5,355,271
Interest	296,236		296,236	364,050
Loans	791,087		791,087	885,557
Other	3,587,957		3,587,957	2,910,817
Internal balances	12,634,639	(12,634,639)		
Total current assets	56,825,673	77,706,210	134,531,883	135,224,375
Noncurrent assets:				
Capital assets not being depreciated:				
Land	4,649,235	576,842	5,226,077	5,226,077
Construction in progress	5,429,970	12,827,848	18,257,818	29,409,712
Capital assets net of accumulated depreciation:				
Buildings and improvements	7,412,166	68,474,433	75,886,599	66,627,595
Machinery, improvements and equipment	5,326,982	8,274,060	13,601,042	15,288,549
Infrastructure	47,702,507		47,702,507	32,833,770
Sewer plant		11,845,873	11,845,873	11,968,134
Total capital assets (net)	70,520,860	101,999,056	172,519,916	161,353,837
Total noncurrent assets	70,520,860	101,999,056	172,519,916	161,353,837
Total assets	127,346,533	179,705,266	307,051,799	296,578,212
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on pensions	15,162,787	1,811,589	16,974,376	17,519,345
Deferred amount on refunding		95,701	95,701	103,062
Total deferred outflows of resources	15,162,787	1,907,290	17,070,077	17,622,407
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	6,270,945	4,955,621	11,226,566	13,006,532
Interest payable	51,631	895,762	947,393	979,990
Unearned revenue	937,518	754,015	1,691,533	1,708,107
Compensated absences - current	468,279	86,014	554,293	559,358
Long-term debt - current	1,378,616	2,068,160	3,446,776	3,348,413
Claims payable - current	1,126,626		1,126,626	1,043,768
Total current liabilities	10,233,615	8,759,572	18,993,187	20,646,168
Noncurrent liabilities:				
Compensated absences - non-current	2,226,031	401,681	2,627,712	2,712,801
Long-term debt - non-current	6,819,134	46,334,537	53,153,671	56,600,447
Claims payable - non-current	3,809,374		3,809,374	3,368,232
Net pension liability	79,619,126	15,225,609	94,844,735	88,691,387
Total noncurrent liabilities	92,473,665	61,961,827	154,435,492	151,372,867
Total liabilities	102,707,280	70,721,399	173,428,679	172,019,035
DEFERRED INFLOW OF RESOURCES				
Deferred amount on pensions	3,480,503	287,190	3,767,693	3,408,780
Total deferred inflows of resources	3,480,503	287,190	3,767,693	3,408,780
NET POSITION				
Net investment in capital assets	69,271,484	53,787,761	123,059,245	109,316,896
Restricted for:				
Capital projects	2,990,492	15,720,390	18,710,882	33,183,203
Debt service	1		1	900
Measure A	2,486,151		2,486,151	1,451,878
Community services	16,625,932		16,625,932	11,591,734
Unrestricted	(55,052,523)	41,095,816	(13,956,707)	(16,771,807)
Total net position	\$36,321,537	\$110,603,967	\$146,925,504	\$138,772,804

See accompanying notes to financial statements

CITY OF SAN BRUNO

Statement of Activities

For the year ended June 30, 2020

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$9,606,933	\$3,859,492	\$380,054	\$35,354
Public safety	31,788,329	2,120,724	791,151	
Public works	1,566,728	421,557	104,367	
Streets	4,224,797	17,474	98,406	1,249,310
Parks and recreation	5,817,710	742,258	596,797	3,276,956
Library	2,458,480	17,101	62,294	
Community and economic development	3,057,191	2,860,417	197,945	3,173,625
Interest expense	373,262			
Total governmental activities	58,893,430	10,039,023	2,231,014	7,735,245
Business-type activities:				
Water	12,137,204	16,936,737		
Stormwater	2,287,138	650,555		
Wastewater	12,926,033	18,230,960		
CityNet Services	11,053,095	9,303,573		
Total business-type activities	38,403,470	45,121,825		
Total primary government	\$97,296,900	\$55,160,848	\$2,231,014	\$7,735,245

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	2020	2019
(\$5,332,033)		(\$5,332,033)	(\$1,140,710)
(28,876,454)		(28,876,454)	(26,339,314)
(1,040,804)		(1,040,804)	(1,918,314)
(2,859,607)		(2,859,607)	(2,254,202)
(1,201,699)		(1,201,699)	(2,358,695)
(2,379,085)		(2,379,085)	(2,047,203)
3,174,796		3,174,796	127,408
(373,262)		(373,262)	(388,594)
(38,888,148)		(38,888,148)	(36,319,624)
	\$4,799,533	4,799,533	5,747,095
	(1,636,583)	(1,636,583)	(1,029,444)
	5,304,927	5,304,927	5,950,920
	(1,749,522)	(1,749,522)	(2,443,605)
	6,718,355	6,718,355	8,224,966
(38,888,148)	6,718,355	(32,169,793)	(28,094,658)
12,212,891		12,212,891	11,846,367
2,617,524		2,617,524	3,628,979
1,861,256		1,861,256	1,839,359
9,281,920		9,281,920	8,764,449
1,974,980		1,974,980	1,904,512
1,972,392		1,972,392	2,213,593
5,013,326		5,013,326	4,909,295
1,844,231		1,844,231	1,811,108
2,130,318	\$1,413,655	3,543,973	3,747,036
(1,269,703)	1,269,703		
37,639,135	2,683,358	40,322,493	40,664,698
(1,249,013)	9,401,713	8,152,700	12,570,040
37,570,550	101,202,254	138,772,804	126,202,764
\$36,321,537	\$110,603,967	\$146,925,504	\$138,772,804

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FUND FINANCIAL STATEMENTS

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

MAJOR GOVERNMENTAL FUNDS

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

GENERAL FUND

The General Fund is the primary operating fund of the City, accounting for all activities except those legally or administratively required to be accounted for in other funds. The General Fund includes activities such as public safety, parks and recreation services, community and economic development, public works and streets maintenance, legal and administrative services. The General Fund also accounts for Measure G, a half cent local district tax approved by voters in 2019. This general tax funding source provides for neighborhood police patrols, fire prevention services, urban wildfire protection, crime suppression and investigation, pothole and street repair, increasing parking supply, upgrading parks and other city facilities, expanding services to support local businesses, and other city needs as designated by the City Council.

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, 2020
(with comparative totals for June 30, 2019)

	General Fund	Street Improvement	Non Major	Totals	
		Capital Projects Fund	Governmental Funds	2020	2019
ASSETS					
Cash and investments	\$14,410,468	\$1,399,800	\$19,813,155	\$35,623,423	\$36,689,676
Cash and investments with fiscal agent	50,496		1	50,497	51,396
Receivables:					
Taxes	1,657,178		208,251	1,865,429	1,620,427
Interest	296,236			296,236	364,050
Loans	791,087			791,087	885,557
Other	1,628,286	323,410	1,636,261	3,587,957	2,910,817
Interfund balances	13,600,209			13,600,209	12,627,950
Advances to other funds	492,729			492,729	659,936
Total assets	\$32,926,689	\$1,723,210	\$21,657,668	\$56,307,567	\$55,809,809
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$4,624,348	\$28,082	\$1,250,220	\$5,902,650	\$6,704,607
Due to other funds					
Unearned revenue	937,518			937,518	963,588
Total liabilities	5,561,866	28,082	1,250,220	6,840,168	7,668,195
Deferred Inflows of Resources:					
Unavailable revenue					452,606
Total deferred inflows of resources					452,606
Fund balances:					
Nonspendable					
Restricted		1,695,128	20,407,448	22,102,576	18,534,689
Committed	21,109,020			21,109,020	22,918,047
Assigned	611,383			611,383	1,101,021
Unassigned	5,644,420			5,644,420	5,135,251
Total fund balances	27,364,823	1,695,128	20,407,448	49,467,399	47,689,008
Total liabilities, deferred inflows of resources and fund balances	\$32,926,689	\$1,723,210	\$21,657,668	\$56,307,567	\$55,809,809

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, 2020

Total fund balances - total governmental funds \$49,467,399

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. 70,511,576

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	1,885,053
Cash and investments with trustee	91,119
Accounts receivable	233
Capital Assets	9,284
Accounts payable	(368,295)
Liability for claims	(4,936,000)
Compensated absences	(62,367)
Net amount allocated to business-type activities	(1,458,299)

LONG-TERM ASSETS AND LIABILITIES

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

Pension obligation bonds	(6,948,374)
Leases payable	(1,249,376)
Accrued interest payable	(51,631)
Compensated absences	(2,631,943)
Net pension liability	(79,619,126)
Deferred outflows of resources related to pensions	15,162,787
Deferred inflows of resources related to pensions	(3,480,503)

Net position of governmental activities	\$36,321,537
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See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	General Fund	Street Improvement	Non Major	Totals	
		Capital Projects Fund	Governmental Funds	2020	2019
REVENUES:					
Taxes	\$26,503,085		\$3,338,155	\$29,841,240	\$30,183,994
Licenses and permits	3,631,419		219,429	3,850,848	4,807,519
Intergovernmental	5,268,188	\$1,131,953	409,437	6,809,578	6,193,125
Charges for services	2,918,239			2,918,239	3,689,192
Fines and forfeitures	749,539		365,917	1,115,456	1,345,048
Use of money and property	2,091,416		258,558	2,349,974	2,277,193
Other revenues	5,142,734	117,357	7,221,300	12,481,391	9,396,817
Total revenues	46,304,620	1,249,310	11,812,796	59,366,726	57,892,888
EXPENDITURES:					
Current:					
General government	6,470,168		55,882	6,526,050	6,151,598
Public safety	27,331,814		204,370	27,536,184	26,538,743
Public works	1,447,402			1,447,402	1,255,226
Streets	1,837,434		91,111	1,928,545	1,605,936
Parks and recreation	5,665,481		179,279	5,844,760	5,795,227
Library	2,090,188		15,013	2,105,201	2,067,693
Community and economic development	2,876,328		167,088	3,043,416	2,934,136
Capital outlay	669,484	1,530,226	3,972,714	6,172,424	12,649,502
Debt service:					
Principal			1,358,246	1,358,246	1,411,245
Interest and fiscal charges			356,404	356,404	343,660
Total expenditures	48,388,299	1,530,226	6,400,107	56,318,632	60,752,966
REVENUES OVER (UNDER)					
EXPENDITURES	(2,083,679)	(280,916)	5,412,689	3,048,094	(2,860,078)
OTHER FINANCING SOURCES (USES):					
Transfers in	4,957,107	1,725,114	3,549,517	10,231,738	8,404,503
Transfers out	(4,662,924)	(1,994,841)	(4,843,676)	(11,501,441)	(9,124,503)
Capital lease					1,630,339
Total other financing sources (uses)	294,183	(269,727)	(1,294,159)	(1,269,703)	910,339
Net change in fund balances	(1,789,496)	(550,643)	4,118,530	1,778,391	(1,949,739)
FUND BALANCES:					
Beginning of year	29,154,319	2,245,771	16,288,918	47,689,008	49,638,747
End of year	\$27,364,823	\$1,695,128	\$20,407,448	\$49,467,399	\$47,689,008

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, 2020

Net change in fund balances- total governmental funds \$1,778,391

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	6,172,424
Amounts charged to Public Works	(83,135)
Retirements are deducted from fund balance	(1,863)
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of \$3,979 which has already been allocated to internal service funds.)	(3,642,692)

LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Capital lease obligation principal payments	497,764
Pension obligation bond principal payments and discount amortization	860,482
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	2,660
Unavailable revenue	(452,606)
Compensated absences	152,379
Net pension liability, deferred inflows and deferred outflows	(6,116,571)

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	<u>(396,728)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>(\$1,249,013)</u></u>
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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 2020.

WATER

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

STORMWATER FUND

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

WASTEWATER FUND

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

CITYNET SERVICES FUND

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

CITY OF SAN BRUNO
Statement of Net Position
Proprietary Funds
June 30, 2020
(with comparative totals for June 30, 2019)

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Stormwater</u>	<u>Wastewater</u>
ASSETS			
Current assets:			
Cash and investments	\$35,196,887	\$1,224,785	\$32,678,555
Cash and investments with fiscal agent/trustee	6,938,947		8,781,443
Accounts receivable	2,308,053	6,600	2,300,808
Total current assets	<u>44,443,887</u>	<u>1,231,385</u>	<u>43,760,806</u>
Noncurrent assets:			
Non-depreciable capital assets	6,318,090	413,336	6,173,264
Depreciable capital assets	29,080,998	4,691,909	52,818,950
Total noncurrent assets	<u>35,399,088</u>	<u>5,105,245</u>	<u>58,992,214</u>
Total assets	<u>79,842,975</u>	<u>6,336,630</u>	<u>102,753,020</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on pension	578,725	78,194	521,476
Deferred amount on refunding			95,701
Total deferred outflows of resources	<u>578,725</u>	<u>78,194</u>	<u>617,177</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,672,987	155,879	1,601,524
Interest payable	234,050		661,712
Unearned revenue			
Compensated absences - current	20,855	5,013	15,918
Liability for claims - current			
Long term debt - due within one year	256,555		1,811,605
Total current liabilities	<u>3,184,447</u>	<u>160,892</u>	<u>4,090,759</u>
Noncurrent liabilities:			
Advances from other funds			
Interfund balances			
Compensated absences - noncurrent	121,559	24,493	81,510
Long term debt - due in more than one year	12,191,980		34,142,557
Liability for claims - non-current			
Net pension liability	4,863,929	657,187	4,382,778
Total noncurrent liabilities	<u>17,177,468</u>	<u>681,680</u>	<u>38,606,845</u>
Total liabilities	<u>20,361,915</u>	<u>842,572</u>	<u>42,697,604</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amount on pension	91,745	12,396	82,669
Total deferred inflows of resources	<u>91,745</u>	<u>12,396</u>	<u>82,669</u>
Net Position			
Net investment in capital assets	22,950,553	5,105,245	23,133,753
Restricted for capital projects	6,938,947		8,781,443
Unrestricted (deficit)	30,078,540	454,611	28,674,728
Total net position	<u>\$59,968,040</u>	<u>\$5,559,856</u>	<u>\$60,589,924</u>
Reconciliation to government-wide statement of net position:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$813,104	\$88,912	(\$222,262)
Net position of business-type activities	<u>\$60,781,144</u>	<u>\$5,648,768</u>	<u>\$60,367,662</u>

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
CityNet Services	Totals		Totals	
	2020	2019	2020	2019
	\$69,100,227	\$57,512,533	\$1,885,053	\$2,050,503
	15,720,390	27,693,026	91,119	91,119
\$904,771	5,520,232	5,355,271	233	
904,771	90,340,849	90,560,830	1,976,405	2,141,622
500,000	13,404,690	12,928,155		
2,002,509	88,594,366	80,345,577	9,284	13,263
2,502,509	101,999,056	93,273,732	9,284	13,263
3,407,280	192,339,905	183,834,562	1,985,689	2,154,885
633,194	1,811,589	1,974,834		
	95,701	103,062		
633,194	1,907,290	2,077,896		
525,231	4,955,621	6,084,722	368,295	217,203
	895,762	925,699		
754,015	754,015	744,519		
44,228	86,014	72,866	16,439	20,979
			1,126,626	1,043,768
	2,068,160	2,009,685		
1,323,474	8,759,572	9,837,491	1,511,360	1,281,950
492,729	492,729	659,936		
13,600,209	13,600,209	12,627,950		
174,119	401,681	328,417	45,928	65,575
	46,334,537	48,402,697		
			3,809,374	3,368,232
5,321,715	15,225,609	14,420,237		
19,588,772	76,054,765	76,439,237	3,855,302	3,433,807
20,912,246	84,814,337	86,276,728	5,366,662	4,715,757
100,380	287,190	315,148		
100,380	287,190	315,148		
2,502,509	53,692,060	42,861,350	9,284	13,263
	15,720,390	27,693,026		
(19,474,661)	39,733,218	28,766,206	(3,390,257)	(2,574,135)
(\$16,972,152)	\$109,145,668	\$99,320,582	(\$3,380,973)	(\$2,560,872)
\$778,545	\$1,458,299	\$1,881,672		
(\$16,193,607)	\$110,603,967	\$101,202,254		

CITY OF SAN BRUNO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$16,866,271		
Sewer service charges			\$18,087,342
Cable television charges			
Other service charges	68,892	\$561,760	143,618
Other operating revenue	1,574	88,795	
Total operating revenues	16,936,737	650,555	18,230,960
OPERATING EXPENSES:			
Water supply	9,715,615		
Distribution		2,081,748	
Customer accounting			
Treatment			8,955,800
Cable operations			
Central garage			
Insurance expenses			
Technology support			
Facilities maintenance			
Depreciation and amortization	1,804,300	211,581	2,478,806
Total operating expenses	11,519,915	2,293,329	11,434,606
OPERATING INCOME (LOSS)	5,416,822	(1,642,774)	6,796,354
NONOPERATING REVENUES (EXPENSES):			
Investment income	678,147	19,084	716,424
Interest and debt service expenses	(431,430)		(1,247,827)
Total non-operating revenues (expenses), net	246,717	19,084	(531,403)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,663,539	(1,623,690)	6,264,951
Transfers in		1,319,703	
Transfers out		(50,000)	
CHANGE IN NET POSITION	5,663,539	(353,987)	6,264,951
NET POSITION:			
Beginning of year	54,304,501	5,913,843	54,324,973
End of year	\$59,968,040	\$5,559,856	\$60,589,924
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(\$185,859)	\$6,191	(\$243,600)
Change in net position of business-type activities - End of year	\$5,477,680	(\$347,796)	\$6,021,351

See accompanying notes to financial statements

CITY OF SAN BRUNO
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided			
Cash receipts from customers	\$16,930,498	\$650,555	\$18,133,744
Cash payments to suppliers for goods and services	(8,774,760)	(2,269,352)	(10,446,338)
Cash (payments) receipts to employees for services	327,903	47,974	291,596
Net cash provided by (used by) operating activities	8,483,641	(1,570,823)	7,979,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments to other funds			
Transfers received from other funds		1,319,703	
Transfers paid to other funds		(50,000)	
Net cash provided by noncapital financing activities		1,269,703	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from bond issue			
Acquisition and construction of capital assets	(4,852,017)	(503,001)	(8,893,584)
Principal payments on long-term debt	(251,554)		(1,740,255)
Interest paid on long-term debt	(434,580)		(1,285,128)
Net cash (used) by capital and related financing activities	(5,538,151)	(503,001)	(11,918,967)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (expense)	678,147	19,084	716,423
Net cash provided by investing activities	678,147	19,084	716,423
Net increase (decrease) in cash and cash equivalents	3,623,637	(785,037)	(3,223,542)
CASH AND CASH EQUIVALENTS:			
Beginning of year	38,512,197	2,009,822	44,683,540
End of year	<u>\$42,135,834</u>	<u>\$1,224,785</u>	<u>\$41,459,998</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Cash and investments	\$35,196,887	\$1,224,785	\$32,678,555
Cash and investments held by trustees	6,938,947		8,781,443
Total Cash and Cash Equivalents, End of Year	<u>\$42,135,834</u>	<u>\$1,224,785</u>	<u>\$41,459,998</u>
Reconciliation of income (loss) from operations to net cash provided by (used for) operating activities:			
Operating income (loss)	\$5,416,822	(\$1,642,774)	\$6,796,354
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,804,300	211,581	2,478,806
(Increase) decrease in current assets:			
Accounts receivable	(6,239)		(97,216)
Prepaid items			
Due from other funds			
(Increase) decrease in deferred outflows of resources	52,150	7,046	46,991
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	940,855	(187,604)	(1,490,538)
Due to other funds			
Unearned revenue			
Compensated absences	27,402	7,373	20,822
Net Pension liability	257,282	34,762	231,831
Increase (decrease) in claims liability - noncurrent			
Increase (decrease) in deferred inflows of resources	(8,931)	(1,207)	(8,048)
Net cash provided by (used for) operating activities	\$8,483,641	(\$1,570,823)	\$7,979,002
NON-CASH ACTIVITIES			
Amortization of bond premiums			\$17,875
Amortization of deferred amount of refunding			(7,361)
Total non-cash activities			<u>\$10,514</u>

See accompanying notes to financial statements

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
CityNet Services	Totals		Totals	
	2020	2019	2020	2019
\$972,259	\$972,259	\$1,019,541	\$5,473,374	\$5,063,426
9,251,563	44,966,360	44,640,888		
(10,342,560)	(31,833,010)	(27,209,993)	(5,638,824)	(5,492,581)
359,598	1,027,071	991,423		
240,860	15,132,680	19,441,859	(165,450)	(429,155)
(167,207)	(167,207)	(166,332)		
	1,319,703	770,000		
	(50,000)	(50,000)		
(167,207)	1,102,496	553,668		
(70,590)	(14,319,192)	(9,495,197)		(2)
	(1,991,809)	(1,673,919)		
	(1,719,708)	(1,872,494)		
(70,590)	(18,030,709)	(13,041,610)		(2)
(3,063)	1,410,591	1,621,123		
(3,063)	1,410,591	1,621,123		
	(384,942)	8,575,040	(165,450)	(429,157)
	85,205,559	76,630,519	2,141,622	2,570,779
	\$84,820,617	\$85,205,559	\$1,976,172	\$2,141,622
	\$69,100,227	\$57,512,533	\$1,885,053	\$2,050,503
	15,720,390	27,693,026	91,119	91,119
	\$84,820,617	\$85,205,559	\$1,976,172	\$2,141,622
(\$1,746,354)	\$8,824,048	\$10,121,127	(\$820,101)	(\$404,366)
1,099,181	5,593,868	5,492,708	3,979	5,350
(61,506)	(164,961)	(484,675)	(233)	12,777
57,058	163,245	1,194,216		
(391,814)	(1,129,101)	2,334,276	151,092	(113,524)
972,259	972,259	1,019,541		
9,496	9,496	(32,541)		
30,815	86,412	4,869	(24,187)	(9,392)
281,497	805,372	(386,539)		
			524,000	80,000
(9,772)	(27,958)	178,877		
240,860	15,132,680	19,441,859	(165,450)	(429,155)

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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, 2020
(with comparative totals for June 30, 2019)

	Redevelopment Agency Obligation		Agency Funds	
	Retirement Trust Fund			
	2020	2019	2020	2019
ASSETS				
Cash and investments	\$1,807,935	\$1,839,074	\$704,353	\$803,201
Cash and investments with fiscal agent/trustee		8,516		
Accounts receivable			618,845	549,159
Total assets	\$1,807,935	\$1,847,590	\$1,323,198	\$1,352,360
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding	\$44,573	\$44,573		
Total deferred outflows of resources	\$44,573	\$44,573		
LIABILITIES				
Accounts payable	\$194,226	\$189,231	\$1,464,137	\$1,533,872
Interest payable	30,775	39,977		
Other liabilities			(140,939)	(181,512)
Bonds Payable - due in one year	377,422	342,422		
Bonds Payable - due in more than one year	4,579,220	4,956,642		
Total liabilities	\$5,181,643	\$5,528,272	\$1,323,198	\$1,352,360
NET POSITION				
Restricted net position held in trust	(\$3,329,135)	(\$3,636,109)		

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, 2020
(with comparative totals for June 30, 2019)

	Redevelopment Agency Obligation Retirement Trust Fund	
	2020	2019
ADDITIONS		
Administration allowance	\$19,424	\$41,238
Taxes	680,258	794,070
Other revenues	113	9,758
TOTAL ADDITIONS	699,795	845,066
DEDUCTIONS		
Community development	236,389	481,999
Interest and fiscal charges	156,432	223,378
TOTAL DEDUCTIONS	392,821	705,377
OTHER FINANCING SOURCES (USES):		
Other financing sources		6,785
TOTAL FINANCING SOURCES		6,785
CHANGES IN NET POSITION	306,974	146,474
NET POSITION - Beginning of the year	(3,636,109)	(3,782,583)
NET POSITION - End of the year	(\$3,329,135)	(\$3,636,109)

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, 2020

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, 2020**

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.

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, 2020

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 CityNet Services Fund accounts for operating and capital improvement costs to provide a full suite of video, data and voice services to residential and business customers.

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, 2020

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, 2020

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, 2020

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, 2020**

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	Total
Beginning Balance	\$2,870,876	\$401,281	\$3,272,157
Additions	565,129	133,931	699,060
Payments	(741,695)	(47,517)	(789,212)
Ending Balance	\$2,694,310	\$487,695	\$3,182,005
Current Portion	\$468,279	\$86,014	\$554,293

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, 2020

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transfers

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

Prior Year Comparative Financial Information

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

Use of Estimates

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

Budgetary Policies

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary fund types.
3. Budgets for the General, 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, 2020

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, 2020

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, 2020, consist of the following:

<i>Statement of Net Position</i>	Amount
Cash and investments	\$106,608,703
Restricted cash and investments held by fiscal agents	15,862,006
Total cash and investments in primary government	122,470,709
 <i>Statements of Fiduciary Net Position</i>	
Cash and investments:	
Private Purpose Trust Funds	1,807,935
Agency Fund	704,353
Total cash and investments in fiduciary	2,512,288
Total cash and investments	\$124,982,997

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, 2020**

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, 2020, 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, 2020, 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, 2020**

NOTE 2 - CASH AND INVESTMENTS (Continued)

C. Interest Rate Risk

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

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

Cash and Investments	12 Months or less	25 to 60 Months	Total
U.S. Agency Securities:			
Federal Farm Credit Bank		\$4,014,680	\$4,014,680
Federal Home Loan Bank	\$2,007,100	1,006,680	3,013,780
Federal Home Loan Mortgage Corporation	4,020,270	2,002,460	6,022,730
Local Agency Investment Fund	28,747,110		28,747,110
San Mateo County Investment Pool	50,508,664		50,508,664
Certificate of Deposit		782,046	782,046
Money Market Funds	23,819,936		23,819,936
Subtotal Investments	<u>\$109,103,080</u>	<u>\$7,805,866</u>	<u>116,908,946</u>
Cash in banks and on hand			<u>8,074,051</u>
Total Cash and Investments			<u>\$124,982,997</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, 2020, these investments had a weighted average maturity of 191 days.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020:

<i>Investments by Fair Value Level:</i>	Level 2	Total
U.S. Agency Securities:		
Federal Farm Credit Bank	\$4,014,680	\$4,014,680
Federal Home Loan Bank	3,013,780	3,013,780
Federal Home Loan Mortgage Corporation	6,022,730	6,022,730
Certificate of Deposit	782,046	782,046
Money Market Mutual Fund	23,819,936	23,819,936
Total Investments	\$13,833,236	37,653,172
 <i>Investments Measured at Amortized Cost:</i>		
Local Agency Investment Fund (LAIF)		28,747,110
San Mateo County Investment Pool		50,508,664
Cash in banks and on hand		8,074,051
Total Cash and investments		\$124,982,997

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, 2020**

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, 2020, 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	\$4,014,680	\$4,014,680
Federal Home Loan Bank	3,013,780	3,013,780
Federal Home Loan Mortgage Corporation	6,022,730	6,022,730
Money Market Funds	23,819,936	23,819,936
Totals	\$36,871,126	36,871,126
Not Rated:		
Certificate of Deposit		782,046
Local Agency Investment Fund (LAIF)		28,747,110
San Mateo County Investment Pool		50,508,664
Total Investments		\$116,908,946

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, 2020:

Issuer	Investment Type	Amount
Federal Home Loan Mortgage Corporation	Federal Agencies Securities	\$6,022,730

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Non-Major Governmental Funds	\$3,172,562 (A) & (D)
	Street Improvement Capital Fund	1,734,545 (A)
	Stormwater Enterprise Fund	50,000 (D)
Street Improvement Capital Fund	General Fund	207,000 (B)
	Non-Major Governmental Funds	1,518,114 (B)
Non-Major Governmental Funds	General Fund	3,136,221 (B), (C) & (D)
	Street Improvement Capital Fund	260,296 (D)
	Non-Major Governmental Funds	153,000 (B)
Stormwater Enterprise Fund	General Fund	1,319,703 (B)
Total Interfund Transfers		\$11,551,441

(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 CityNet Services 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, 2020, interfund balances comprised the following:

Due To Other Funds	Due From Other Funds	Amount
General Fund	CityNet Services Enterprise Fund	\$13,600,209

C. Interfund Advances

Fund Receiving Advance	Fund Making Advance	Amount of Advance
CityNet Services Enterprise Fund	General Fund	\$492,729

During fiscal year 2016, the General Fund loaned the CityNet Services Enterprise Fund \$1,170,000 for a Fiber to Home project at the Shelter Creek Condominiums. The advance accrues interest at a .525% annual interest rate for seven years.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 4 - CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets as of June 30, 2020 comprise:

	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Governmental activities					
Capital assets not being depreciated:					
Land	\$4,649,235				\$4,649,235
Construction in progress	17,058,399	\$3,789,259		(\$15,417,688)	5,429,970
Total capital assets not being depreciated	21,707,634	3,789,259		(15,417,688)	10,079,205
Capital assets being depreciated:					
Buildings and improvements	16,603,403				16,603,403
Machinery, improvements and equipment	16,653,485	668,016	(\$122,989)		17,198,512
Infrastructure	82,139,079	1,632,014		15,417,688	99,188,781
Total capital assets being depreciated	115,395,967	2,300,030	(122,989)	15,417,688	132,990,696
Less accumulated depreciation for:					
Buildings and improvements	8,669,245	521,992			9,191,237
Machinery, improvements and equipment	11,048,942	943,714	(121,126)		11,871,530
Infrastructure	49,305,309	2,180,965			51,486,274
Total accumulated depreciation	69,023,496	3,646,671	(121,126)		72,549,041
Net governmental-type activities					
Capital assets being depreciated	46,372,471	(1,346,641)	(1,863)	15,417,688	60,441,655
Governmental activity capital assets, net	\$68,080,105	\$2,442,618	(\$1,863)		\$70,520,860
	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Business-type activities:					
Capital assets not being depreciated:					
Land	\$576,842				\$576,842
Construction in progress	12,351,313	\$9,585,470		(\$9,108,935)	12,827,848
Total capital assets not being depreciated	12,928,155	9,585,470		(9,108,935)	13,404,690
Capital assets being depreciated:					
Buildings and improvements	83,412,742	3,432,119		9,108,935	95,953,796
Machinery, improvements and equipment	33,141,160	485,184	(\$160,224)		33,466,120
Sewer plant	27,097,266	844,904			27,942,170
Total capital assets being depreciated	143,651,168	4,762,207	(160,224)	9,108,935	157,362,086
Less accumulated depreciation for:					
Buildings and improvements	24,719,305	2,760,058			27,479,363
Machinery, improvements and equipment	23,457,154	1,866,645	(131,739)		25,192,060
Sewer plant	15,129,132	967,165			16,096,297
Total accumulated depreciation	63,305,591	5,593,868	(131,739)		68,767,720
Net capital assets being depreciated	80,345,577	(831,661)	(28,485)	9,108,935	88,594,366
Business-type activity capital assets, net	\$93,273,732	\$8,753,809	(\$28,485)		\$101,999,056

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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	\$543,404
Public safety	507,837
Public works	28,944
Streets	2,165,729
Parks and recreation	364,213
Library	20,880
Community and economic development	11,685
Internal service funds	3,979
Total	<u>\$3,646,671</u>
Business-Type Activities	Amount
Water	\$1,804,300
Stormwater	211,581
Wastewater	1,511,641
SSF Sewer Plant	967,165
CityNet	1,099,181
Total	<u>\$5,593,868</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020:

	Balance June 30, 2019	Retirements	Balance June 30, 2020	Amount due within one year
Governmental Activity - Bonds:				
2013 Pension Obligation Bond	\$7,965,000	(\$880,000)	\$7,085,000	\$905,000
Discount on Pension Obligation Bond	(156,144)	19,518	(136,626)	(19,518)
Total Governmental Activities - Bonds	<u>7,808,856</u>	<u>(860,482)</u>	<u>6,948,374</u>	<u>885,482</u>
Governmental Activity - Direct Borrowings:				
2017 Capital Lease Obligation	444,215	(175,183)	269,032	178,509
2018 Capital Lease Obligation	1,283,407	(303,063)	980,344	314,625
Total Governmental Activities - Direct Borrowings	<u>1,727,622</u>	<u>(478,246)</u>	<u>1,249,376</u>	<u>493,134</u>
Total Governmental Activities	<u>\$9,536,478</u>	<u>(\$1,338,728)</u>	<u>\$8,197,750</u>	<u>\$1,378,616</u>
	Balance June 30, 2019	Retirements	Balance June 30, 2020	Amount due within one year
Business-Type Activity - Bonds:				
2017 Water Revenue Bond	\$11,495,000	(\$210,000)	\$11,285,000	\$215,000
Premium of Revenue Bond	1,205,089	(41,555)	1,163,534	41,555
2017 Wastewater Revenue Bond	24,225,000	(440,000)	23,785,000	455,000
Premium on Revenue Bond	2,538,483	(87,534)	2,450,949	87,534
2013 Wastewater Refunding Revenue Bond	5,575,000	(295,000)	5,280,000	310,000
Premium on Refunding Bond	250,258	(17,875)	232,383	17,875
Total Business-Type Activities - Bonds	<u>45,288,830</u>	<u>(1,091,964)</u>	<u>44,196,866</u>	<u>1,126,964</u>
Business-Type Activity - Direct Borrowing:				
Due to City of South San Francisco				
1997 Loan	2,212,542	(532,025)	1,680,517	545,858
2007 Loan	2,911,010	(385,696)	2,525,314	395,338
Total Business-Type Activities - Direct Borrowings	<u>5,123,552</u>	<u>(917,721)</u>	<u>4,205,831</u>	<u>941,196</u>
Total Business-Type Activities	<u>\$50,412,382</u>	<u>(\$2,009,685)</u>	<u>\$48,402,697</u>	<u>\$2,068,160</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, 2020**

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. The trustee is permitted to pursue remedies at law or in equity to enforce the City’s obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default have occurred. During the fiscal year 2019-20, the City made principal and interest payments totaling \$880,000 and \$300,350, 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
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	1,045,000	130,600	1,175,600
2026-2027	2,220,000	134,000	2,354,000
Subtotal	7,085,000	1,154,400	8,239,400
Less Discount	(136,626)		(136,626)
Total	<u>\$6,948,374</u>	<u>\$1,154,400</u>	<u>\$8,102,774</u>

Capital Lease Obligations

During April 2017, the City entered into a \$1,873,846 capital lease-purchase agreement with JP Morgan Chase Bank, N.A. to finance a fire engine and a fire truck. Principal and interest payments are due semi-annually on April 28 and October 28 with an interest rate of 1.89%. Payments are made out of the debt service fund. During fiscal year 2019-20 The City made principal and interest payments totaling \$175,183 and \$7,572, 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
2021	\$178,509	\$4,245	\$182,754
2022	90,523	855	91,378
Total	<u>\$269,032</u>	<u>\$5,100</u>	<u>\$274,132</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 CityNet Services 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 CityNet Services Fund recognizes adequate revenue to pay for the annual lease-purchase payments. During fiscal year 2019-20, the City made principal and interest payments totaling \$303,063 and \$48,963, 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
2021	\$314,625	\$37,401	\$352,026
2023	326,629	25,398	352,027
2024	339,090	12,937	352,027
Total	\$980,344	\$75,736	\$1,056,080

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. The trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default have occurred. During the fiscal year 2019-20, the City made principal and interest payments totaling \$210,000 and \$468,100, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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
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	250,000	421,550	671,550
2026-2030	1,450,000	1,897,750	3,347,750
2031-2035	1,845,000	1,485,350	3,330,350
2036-2040	2,235,000	1,100,500	3,335,500
2041-2045	2,705,000	603,800	3,308,800
2046-2048	1,895,000	77,600	1,972,600
Subtotal	11,285,000	7,378,750	18,663,750
Add Premium	1,163,534		1,163,534
Total	\$12,448,534	\$7,378,750	\$19,827,284

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. The trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default have occurred. During the fiscal year 2019-20, the City made principal and interest payments totaling \$440,000 and \$986,500, respectively. The bonds mature on July 1, 2047.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year	2017 Wastewater Revenue		
Ending June 30	Principal	Interest	Total
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	525,000	888,200	1,413,200
2026-2030	3,050,000	3,998,500	7,048,500
2031-2035	3,890,000	3,130,850	7,020,850
2036-2040	4,710,000	2,319,700	7,029,700
2041-2045	5,700,000	1,273,000	6,973,000
2046-2048	3,995,000	164,000	4,159,000
Subtotal	23,785,000	15,550,250	39,335,250
Add Premium	2,450,949		2,450,949
Total	\$26,235,949	\$15,550,250	\$41,786,199

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. The trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default have occurred. During the fiscal year 2019-20, the City made principal and interest payments totaling \$295,000 and \$235,775 respectively. The bonds mature on July 1, 2032.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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
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	365,000	161,224	526,224
2026-2030	2,110,000	523,275	2,633,275
2031-2033	1,495,000	69,074	1,564,074
Subtotal	5,280,000	1,564,175	6,844,175
Add Premium	232,383		232,383
Total	<u>\$5,512,383</u>	<u>\$1,564,175</u>	<u>\$7,076,558</u>

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 2019-20, the City made principal and interest payments totaling \$917,721, and \$130,301, 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, 2020**

NOTE 5 - LONG-TERM DEBT (Continued)

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

For The Year	1997 Loan South San Francisco		
Ending June 30	Principal	Interest	Total
2021	\$545,858	\$43,693	\$589,551
2022	560,050	29,501	589,551
2023	574,609	14,939	589,548
Total	\$1,680,517	\$88,133	\$1,768,650

For The Year	2007 Loan South San Francisco		
Ending June 30	Principal	Interest	Total
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	436,379	22,092	458,471
2026	447,288	11,182	458,470
Total	\$2,525,314	\$225,511	\$2,750,825

Fiduciary Funds:

The following is a summary of long-term debt transactions for the year ended June 30, 2020:

	Balance		Balance	Amount
	June 30, 2019	Retirements	June 30, 2020	due within one year
2019 Lease Revenue Bonds	\$4,670,000	\$290,000	\$4,380,000	\$325,000
Premium on Refunding Bond	629,064	52,422	576,642	52,422
Total Fiduciary Activity	\$5,299,064	\$342,422	\$4,956,642	\$377,422

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%. During fiscal year 2019-20, the City made principal and interest payments totaling \$290,000, and \$218,056, respectively.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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. The trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default have occurred. During the fiscal year 2019-20, the City made principal and interest payments totaling \$290,000, and \$218,056, respectively.

For The Year Ending June 30	2019 Lease Revenue Bonds		
	Principal	Interest	Total
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	375,000	129,450	504,450
2026-2030	2,140,000	407,650	2,547,650
2031	485,000	24,250	509,250
Subtotal	4,380,000	1,219,750	5,599,750
Add Premium	576,642		576,642
Total	<u>\$4,956,642</u>	<u>\$1,219,750</u>	<u>\$6,176,392</u>

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, 2020

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, 2020

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	\$611,383
Street Improvement Capital Projects	39,541
Total Major Funds	<u>650,924</u>
Non-Major Funds:	
Parks and Facilities Capital Improvement	3,010,462
Other non-major funds	158,668
Total Non-Major Funds	<u>3,169,130</u>
Total	<u><u>\$3,820,054</u></u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s fund balances, as of June 30, 2020, are below:

Fund Balance Classifications	General Fund	Street Improvement Capital Projects Fund	Other Governmental Funds	Total
Restricted for:				
Disaster recovery			\$909,987	\$909,987
Special Revenue Programs			15,925,283	15,925,283
Capital Projects		\$1,695,128	2,871,528	4,566,656
Affordable Housing Activities			700,649	700,649
Debt Service			1	1
Total Restricted Fund Balances		1,695,128	20,407,448	22,102,576
Committed to:				
General Fund Contingency	\$1,500,000			1,500,000
General Fund Reserve	12,582,349			12,582,349
Capital Improvement/One-Time Initiative Reserve	5,102,455			5,102,455
Emergency Disaster Reserve	1,924,216			1,924,216
Total Committed Fund Balances	21,109,020			21,109,020
Assigned to:				
Contractual commitments	611,383			611,383
Total Assigned Fund Balances	611,383			611,383
Unassigned	5,644,420			5,644,420
Total Unassigned Fund Balances	5,644,420			5,644,420
Total Fund Balances	\$27,364,823	\$1,695,128	\$20,407,448	\$49,467,399

CITY OF SAN BRUNO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

F. Net Position Deficits

The City has a deficit net position of \$16,972,152 in the CityNet Services Enterprise Fund, which will be funded through additional revenues expected from offering higher margin cable and internet packages and expense reductions. The City also has a deficit net position of \$3,945,993 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, 2020, claims payable are as follows:

Beginning balance of claims payable	\$4,412,000
Changes to estimated claims liability	1,969,525
Claims paid	<u>(1,445,525)</u>
Ending balance of claims payable	<u>\$4,936,000</u>
Current Portion	<u>\$1,126,626</u>

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2019, the total pension liabilities were determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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) The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter
Post Retirement Benefit Increase	Purchasing Power applies, 2.5% thereafter

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

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website at www.calpers.ca.gov.

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

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

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 rounded equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class(a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%		-0.92%
Total	<u>100%</u>		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included

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, 2020**

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	\$5,461,624	\$45,902,570	\$865,826	\$7,465,528
Safety	11,512,752	48,942,165	2,901,867	9,199,437
Total	\$16,974,376	\$94,844,735	\$3,767,693	\$16,664,965

A summary of the changes in net pension liability by plan type as of June 30, 2019 and June 30, 2020 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total - Both Plans
June 30, 2019	\$43,474,515	\$45,216,872	\$88,691,387
June 30, 2020	45,902,570	48,942,165	94,844,735
Change - Increase (Decrease)	2,428,055	3,725,293	6,153,348

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, 2020**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The Plans provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	11.371%	11.371%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the miscellaneous plan as a percentage of the payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31. The City's required contribution for the unfunded liability in the Miscellaneous Plan was \$2,962,034 in fiscal year 2020.

Employees Covered – At June 30, 2020, 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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2018	\$139,571,855	\$96,097,340	\$43,474,515
Changes in the year:			
Service cost	2,432,199		2,432,199
Interest on the total pension liability	9,905,673		9,905,673
Changes of benefit terms			
Changes in assumptions			
Differences between actual and expected experience	1,352,032		1,352,032
Plan to plan resource movement			
Contribution - employer		4,025,948	(4,025,948)
Contribution - employee		1,014,107	(1,014,107)
Net investment income		6,290,148	(6,290,148)
Benefit payments, including refunds of employee contributions	(7,198,215)	(7,198,215)	
Administrative expense		(68,577)	68,577
Other Miscellaneous Income/Expense		223	(223)
Net changes	<u>6,491,689</u>	<u>4,063,634</u>	<u>2,428,055</u>
Balance at June 30, 2019	<u>\$146,063,544</u>	<u>\$100,160,974</u>	<u>\$45,902,570</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	\$65,511,094
Current Discount Rate	7.15%
Net Pension Liability	\$45,902,570
1% Increase	8.15%
Net Pension Liability	\$29,744,930

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2020, the City recognized pension expense of \$7,465,528. At June 30, 2020, 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	\$4,629,604	
Differences between actual and expected experience	832,020	(\$99,565)
Changes in assumptions		(198,954)
Net differences between projected and actual earnings on plan investments		(567,307)
Total	\$5,461,624	(\$865,826)

A total of \$4,629,604 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, 2021. 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
2020	\$561,115
2021	(527,664)
2022	(164,931)
2023	97,674

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, 2020**

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, 2020, 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%	13.034%

CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31. The City's required contribution for the unfunded liability for the Safety Plan was \$2,885,886 in fiscal year 2020.

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, 2020, contributions to the Safety Plan were as follows:

	Safety Plans
Contributions - employer	\$4,978,130

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, 2020**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

At June 30, 2020, 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	\$48,942,165
Total Net Pension Liability	\$48,942,165

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	Safety Plans
Proportion - June 30, 2018	0.77063%
Proportion - June 30, 2019	0.78401%
Change - Increase (Decrease)	0.01338%

For the year ended June 30, 2020, the City recognized pension expense of \$9,199,437 for the Safety Plan. On June 30, 2020, 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	\$4,978,130	
Differences between actual and expected experience	3,195,482	
Changes in assumptions	2,006,054	(\$391,479)
Net differences between projected and actual earnings on plan investments		(673,283)
Differences between actual contributions and proportional contributions		(1,837,104)
Adjustment due to differences in proportion	1,333,086	
Total	\$11,512,752	(\$2,901,866)

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

A total of \$4,978,130 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, 2021. 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>
2020	\$3,397,647
2021	(329,884)
2022	433,993
2023	131,000

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	\$73,106,113
Current Discount Rate	7.15%
Net Pension Liability	\$48,942,165
1% Increase	8.15%
Net Pension Liability	\$29,131,513

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

Subsequent Event - CalPERS Pension Contribution Rates - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020:

Current retirees	104
Active employees	234
Total	338

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 2019-20 the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund was \$6,340,596, 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, 2020, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

CITY OF SAN BRUNO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$28,178,923	\$28,178,923	\$26,503,085	(\$1,675,838)
Licenses and permits	6,139,808	6,139,808	3,631,419	(2,508,389)
Intergovernmental	5,358,095	5,358,095	5,268,188	(89,907)
Charges for services	3,701,506	3,701,506	2,918,239	(783,267)
Fines and forfeitures	803,000	803,000	749,539	(53,461)
Use of money and property	995,399	998,462	2,091,416	1,092,954
Other revenues	4,289,519	4,593,062	5,142,734	549,672
Total revenues	49,466,250	49,772,856	46,304,620	(3,468,236)
EXPENDITURES:				
Current:				
General government	6,197,263	6,119,719	6,470,168	(350,449)
Public safety	28,647,893	28,342,974	27,331,814	1,011,160
Public works	1,210,027	1,205,757	1,447,402	(241,645)
Streets	2,127,099	2,031,614	1,837,434	194,180
Parks and recreation	6,508,632	6,475,282	5,665,481	809,801
Library	2,005,766	2,192,275	2,090,188	102,087
Community and economic development	3,000,406	3,001,871	2,876,328	125,543
Capital outlay	939,729	1,267,274	669,484	597,790
Total expenditures	50,636,815	50,636,766	48,388,299	2,248,467
REVENUES OVER (UNDER) EXPENDITURES	(1,170,565)	(863,910)	(2,083,679)	(1,219,769)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,538,422	5,482,319	4,957,107	(525,212)
Transfers out	(3,499,032)	(4,708,735)	(4,662,924)	45,811
Capital lease				
Total other financing sources (uses)	(1,960,610)	773,584	294,183	(479,401)
Net change in fund balances	(3,131,175)	(90,326)	(1,789,496)	(1,699,170)
FUND BALANCES:				
Beginning of year	29,154,319	29,154,319	29,154,319	
End of year	\$26,023,144	\$29,063,993	\$27,364,823	(\$1,699,170)

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2020
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

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

Notes to Schedule:

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

Changes in assumptions. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2018 and 2019, there were no changes. In 2017, the accounting discount rate was reduced from 7.65% to 7.15% from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

* 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, 2020**

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of Fiscal Year ending June 30, 2020
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal year ended,	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Actuarially determined contribution	\$2,379,268	\$2,751,860	\$3,140,457	\$3,493,688	\$4,025,948	\$4,629,604
Contributions in relation to the actuarially determined contributions	(2,379,268)	(2,751,860)	(3,140,457)	(3,493,688)	(4,025,948)	(4,629,604)
Contribution deficiency (excess)						
Covered payroll	\$11,798,276	\$12,099,264	\$13,151,844	\$13,518,083	\$14,298,470	\$14,077,430
Contributions as a percentage of covered payroll	20.17%	22.74%	23.88%	25.84%	28.16%	32.89%
Notes to Schedule						
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 Years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75% for 2015 to 2019, and 2.875% for 2020
Salary increases	Varies by entry age and service
Investment rate of return	7.50%, for 2015 to 2018, 7.375% for 2019, and 7.25% for 2020 net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of Retirement are used on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 and 2020, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

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

CITY OF SAN BRUNO

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2020
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>	<u>Safety Plan</u>
Measurement Date,	2014	2015	2016	2017	2018	2019
Plan's Proportion of the Net Pension Liability/Asset	0.40726%	0.72742%	0.74853%	0.74621%	0.77063%	0.78401%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$25,341,888	\$29,972,747	\$38,768,137	\$44,587,859	\$45,216,872	\$48,942,165
Plan's Covered Payroll	\$8,296,958	\$8,733,422	\$9,215,379	\$9,360,496	\$8,768,759	\$9,259,344
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%	528.57%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	21.72%	26.71%	26.71%	26.92%	27.76%

* 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, 2020**

**Cost-Sharing Defined Benefit Pension Plan
As of fiscal year ending June 30, 2020
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended,	Safety Plan	Safety Plan	Safety Plan	Safety Plan	Safety Plan	Safety Plan
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Actuarially determined contribution	\$2,600,052	\$1,681,684	\$3,203,722	\$3,682,068	\$4,282,040	\$4,978,130
Contributions in relation to the actuarially determined contributions	(2,600,052)	(1,681,684)	(3,203,722)	(3,682,068)	(4,282,040)	(4,978,130)
Contribution deficiency (excess)						
Covered payroll	\$8,733,422	\$9,215,379	\$9,360,496	\$8,768,759	\$9,259,344	\$9,977,457
Contributions as a percentage of covered payroll	29.77%	18.25%	34.23%	41.99%	46.25%	49.89%
Notes to Schedule						
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	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	Level percentage of payroll, closed
Remaining amortization period	30 years	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	5-year smoothed market
Inflation	2.75%	2.75%	2.75%	2.75%	2.50%	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	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	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	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.	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.

SUPPLEMENTARY INFORMATION

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$2,187,233	\$2,187,233	\$1,131,953	(\$1,055,280)
Other revenues	58,572	58,572	117,357	58,785
Total revenues	2,245,805	2,245,805	1,249,310	(996,495)
EXPENDITURES:				
Current:				
Capital outlay	6,384,029	6,258,127	1,530,226	4,727,901
Total expenditures	6,384,029	6,258,127	1,530,226	4,727,901
REVENUES OVER (UNDER) EXPENDITURES	(4,138,224)	(4,012,322)	(280,916)	(3,731,406)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,945,000	3,000,000	1,725,114	(1,274,886)
Transfers out	(674,007)	(2,071,555)	(1,994,841)	76,714
Total other financing sources (uses)	2,270,993	928,445	(269,727)	(1,198,172)
Net change in fund balances	(1,867,231)	(3,083,877)	(550,643)	(4,929,578)
FUND BALANCES:				
Beginning of year	2,245,771	2,245,771	2,245,771	
End of year	\$378,540	(\$838,106)	\$1,695,128	(\$4,929,578)

CITY OF SAN BRUNO
Combining Schedule of Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the year ended June 30, 2020

	General Fund Operating and Reserves	Measure G	General Fund Totals
REVENUES:			
Taxes	\$26,009,780	\$493,305	\$26,503,085
Licenses and permits	3,631,419		3,631,419
Intergovernmental	5,268,188		5,268,188
Charges for services	2,918,239		2,918,239
Fines and forfeitures	749,539		749,539
Use of money and property	2,091,416		2,091,416
Other revenues	5,142,734		5,142,734
Total revenues	45,811,315	493,305	46,304,620
EXPENDITURES:			
Current:			
General government	6,470,168		6,470,168
Public safety	27,331,814		27,331,814
Public works	1,447,402		1,447,402
Streets	1,837,434		1,837,434
Parks and recreation	5,665,481		5,665,481
Library	2,090,188		2,090,188
Community and economic development	2,876,328		2,876,328
Capital outlay	669,484		669,484
Total expenditures	48,388,299		48,388,299
REVENUES OVER (UNDER)			
EXPENDITURES	(2,576,984)	493,305	(2,083,679)
OTHER FINANCING SOURCES (USES):			
Transfers in	4,957,107		4,957,107
Transfers out	(4,662,924)		(4,662,924)
Total other financing sources (uses)	294,183		294,183
Net change in fund balances	(2,282,801)	493,305	(1,789,496)
FUND BALANCES:			
Beginning of year	29,154,319		29,154,319
End of year	\$26,871,518	\$493,305	\$27,364,823

CITY OF SAN BRUNO

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - General Fund

For the year ended June 30, 2020

	General Fund Operating and Reserves			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$28,178,923	\$28,178,923	\$26,009,780	(\$2,169,143)
Licenses and permits	6,139,808	6,139,808	3,631,419	(2,508,389)
Intergovernmental	5,358,095	5,358,095	5,268,188	(89,907)
Charges for services	3,701,506	3,701,506	2,918,239	(783,267)
Fines and forfeitures	803,000	803,000	749,539	(53,461)
Use of money and property	995,399	998,462	2,091,416	1,092,954
Other revenues	4,289,519	4,593,062	5,142,734	549,672
Total revenues	49,466,250	49,772,856	45,811,315	(3,961,541)
EXPENDITURES:				
Current:				
General government	6,197,263	6,119,719	6,470,168	(350,449)
Public safety	28,647,893	28,342,974	27,331,814	1,011,160
Public works	1,210,027	1,205,757	1,447,402	(241,645)
Streets	2,127,099	2,031,614	1,837,434	194,180
Parks and recreation	6,508,632	6,475,282	5,665,481	809,801
Library	2,005,766	2,192,275	2,090,188	102,087
Community and economic development	3,000,406	3,001,871	2,876,328	125,543
Capital outlay	939,729	1,267,274	669,484	597,790
Total expenditures	50,636,815	50,636,766	48,388,299	2,248,467
REVENUES OVER (UNDER) EXPENDITURES	(1,170,565)	(863,910)	(2,576,984)	(1,713,074)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,538,422	5,482,319	4,957,107	(525,212)
Transfers out	(3,499,032)	(4,708,735)	(4,662,924)	45,811
Total other financing sources (uses)	(1,960,610)	773,584	294,183	(479,401)
Net change in fund balances	(3,131,175)	(90,326)	(2,282,801)	(2,192,475)
FUND BALANCES:				
Beginning of year	29,154,319	29,154,319	29,154,319	
End of year	\$26,023,144	\$29,063,993	\$26,871,518	(\$2,192,475)

Measure G				General Fund Totals			
Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
		\$493,305	\$493,305	\$28,178,923	\$28,178,923	\$26,503,085	(\$1,675,838)
				6,139,808	6,139,808	3,631,419	(2,508,389)
				5,358,095	5,358,095	5,268,188	(89,907)
				3,701,506	3,701,506	2,918,239	(783,267)
				803,000	803,000	749,539	(53,461)
				995,399	998,462	2,091,416	1,092,954
				4,289,519	4,593,062	5,142,734	549,672
		493,305	493,305	49,466,250	49,772,856	46,304,620	(3,468,236)
				6,197,263	6,119,719	6,470,168	350,449
				28,647,893	28,342,974	27,331,814	(1,011,160)
				1,210,027	1,205,757	1,447,402	241,645
				2,127,099	2,031,614	1,837,434	(194,180)
				6,508,632	6,475,282	5,665,481	(809,801)
				2,005,766	2,192,275	2,090,188	(102,087)
				3,000,406	3,001,871	2,876,328	(125,543)
				939,729	1,267,274	669,484	(597,790)
				50,636,815	50,636,766	48,388,299	(2,248,467)
		493,305	493,305	(1,170,565)	(863,910)	(2,083,679)	(1,219,769)
				1,538,422	5,482,319	4,957,107	(525,212)
				(3,499,032)	(4,708,735)	(4,662,924)	45,811
				(1,960,610)	773,584	294,183	(479,401)
		493,305	493,305	(3,131,175)	(90,326)	(1,789,496)	(1,699,170)
				29,154,319	29,154,319	29,154,319	
		\$493,305	\$493,305	\$26,023,144	\$29,063,993	\$27,364,823	(\$1,699,170)

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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.

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

CAPITAL PROJECT FUNDS

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, 2020
(with comparative totals for June 30, 2019)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$7,130,189	\$14,521		\$681,375
Cash and investments with fiscal agents				
Receivables:				
Taxes				141,216
Interest				
Loans				
Other		26,036	\$12,227	
Total assets	\$7,130,189	\$40,557	\$12,227	\$822,591
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities		\$5,808		
Due to other funds				
Unearned revenue				
Total liabilities		5,808		
 Deferred Inflows of Resources:				
Unavailable revenue				
Total deferred inflows of resources				
 Fund Balances:				
Restricted	\$7,130,189	34,749	\$12,227	\$822,591
Total fund balances (deficits)	7,130,189	34,749	12,227	822,591
Total liabilities and fund balances	\$7,130,189	\$40,557	\$12,227	\$822,591

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
\$12,697	\$1,036,019	\$224,928	\$409,592	\$2,802,236	\$406,579
			8,580		
<u>\$12,697</u>	<u>\$1,036,019</u>	<u>\$224,928</u>	<u>\$418,172</u>	<u>\$2,802,236</u>	<u>\$406,579</u>
	\$1,971			\$13,761	
	<u>1,971</u>			<u>13,761</u>	
\$12,697	1,034,048	\$224,928	\$418,172	2,788,475	\$406,579
12,697	1,034,048	224,928	418,172	2,788,475	406,579
<u>\$12,697</u>	<u>\$1,036,019</u>	<u>\$224,928</u>	<u>\$418,172</u>	<u>\$2,802,236</u>	<u>\$406,579</u>

(Continued)

CITY OF SAN BRUNO
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2020
(with comparative totals for June 30, 2019)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
ASSETS				
Cash and investments	\$700,649	\$111,206	\$2,486,151	\$1,424,025
Cash and investments with fiscal agents				
Receivables:				
Taxes				
Interest				
Loans				
Other				3,984
Total assets	<u>\$700,649</u>	<u>\$111,206</u>	<u>\$2,486,151</u>	<u>\$1,428,009</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities				\$518,022
Due to other funds				
Unearned revenue				
Total liabilities				<u>518,022</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue				
Total deferred inflows of resources				
Fund Balances:				
Restricted	\$700,649	\$111,206	\$2,486,151	909,987
Total fund balances (deficits)	<u>700,649</u>	<u>111,206</u>	<u>2,486,151</u>	<u>909,987</u>
Total liabilities and fund balances	<u>\$700,649</u>	<u>\$111,206</u>	<u>\$2,486,151</u>	<u>\$1,428,009</u>

Measure W Transportation Tax	Capital Projects Funds	Debt Service Fund	Non-major funds	
	General	General	Totals	
			2020	2019
\$376,236	\$1,996,752		\$19,813,155	\$16,265,312
		\$1	1	900
67,035			208,251	165,769
				90,000
	1,585,434		1,636,261	1,052,914
<u>\$443,271</u>	<u>\$3,582,186</u>	<u>\$1</u>	<u>\$21,657,668</u>	<u>\$17,574,895</u>
	\$710,658		\$1,250,220	\$833,371
	<u>710,658</u>		<u>1,250,220</u>	<u>833,371</u>
				452,606
				452,606
\$443,271	2,871,528	\$1	20,407,448	16,288,918
443,271	2,871,528	1	20,407,448	16,288,918
<u>\$443,271</u>	<u>\$3,582,186</u>	<u>\$1</u>	<u>\$21,657,668</u>	<u>17,574,895</u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes				\$1,844,231
Licenses and permits				
Use of money & property	\$115,075	\$678	\$35	14,123
Intergovernmental		143,919	98,180	
Charges for services				
Fines and forfeitures				
Other revenues	3,173,625	71,580		
Total revenues	<u>3,288,700</u>	<u>216,177</u>	<u>98,215</u>	<u>1,858,354</u>
EXPENDITURES:				
Current:				
General government				
Public safety			50,608	
Streets				2,535
Parks and recreation		168,475		
Library				
Community and economic development	39,850		47,250	
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>39,850</u>	<u>168,475</u>	<u>97,858</u>	<u>2,535</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,248,850</u>	<u>47,702</u>	<u>357</u>	<u>1,855,819</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out		(47,024)		(1,938,000)
Total other financing sources and uses		<u>(47,024)</u>		<u>(1,938,000)</u>
Net change in fund balances	3,248,850	678	357	(82,181)
FUND BALANCES:				
Beginning of year	<u>3,881,339</u>	<u>34,071</u>	<u>11,870</u>	<u>904,772</u>
End of year	<u>\$7,130,189</u>	<u>\$34,749</u>	<u>\$12,227</u>	<u>\$822,591</u>

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Streets
				\$142,996	
\$384	\$16,739	\$3,943 155,948	\$6,830 11,390	47,020	\$5,569
	365,917				
			95,621	101,516	
<u>384</u>	<u>382,656</u>	<u>159,891</u>	<u>113,841</u>	<u>291,532</u>	<u>5,569</u>
				18,207	
	150,810			2,952	
			88,576		
				10,804	
				15,013	
				79,988	
	<u>150,810</u>		<u>88,576</u>	<u>126,964</u>	
<u>384</u>	<u>231,846</u>	<u>159,891</u>	<u>25,265</u>	<u>164,568</u>	<u>5,569</u>
<u>(39,000)</u>	<u>(78,000)</u>	<u>(100,000)</u>		<u>(75,000)</u>	
<u>(39,000)</u>	<u>(78,000)</u>	<u>(100,000)</u>		<u>(75,000)</u>	
<u>(38,616)</u>	<u>153,846</u>	<u>59,891</u>	<u>25,265</u>	<u>89,568</u>	<u>5,569</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>
<u>\$12,697</u>	<u>\$1,034,048</u>	<u>\$224,928</u>	<u>\$418,172</u>	<u>\$2,788,475</u>	<u>\$406,579</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, 2020
(with comparative totals for the year ended June 30, 2019)

	City as Successor Housing Agency	Impact Fees	Measure A Transportation Tax	Disaster Recovery Fund
REVENUES:				
Taxes			\$1,055,061	
Licenses and permits		\$76,433		
Use of money & property	\$15,242	1,752	26,530	
Intergovernmental				
Charges for services				
Fines and forfeitures				
Other revenues				\$502,002
Total revenues	<u>15,242</u>	<u>78,185</u>	<u>1,081,591</u>	<u>502,002</u>
EXPENDITURES:				
Current:				
General government				37,675
Public safety				
Streets				
Parks and recreation				
Library				
Community and economic development				
Capital outlay				218,420
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures				<u>256,095</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,242</u>	<u>78,185</u>	<u>1,081,591</u>	<u>245,907</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			282,796	100,000
Transfers out			(330,114)	
Total other financing sources and uses			<u>(47,318)</u>	<u>100,000</u>
Net change in fund balances	15,242	78,185	1,034,273	345,907
FUND BALANCES:				
Beginning of year	<u>685,407</u>	<u>33,021</u>	<u>1,451,878</u>	<u>564,080</u>
End of year	<u>\$700,649</u>	<u>\$111,206</u>	<u>\$2,486,151</u>	<u>\$909,987</u>

Measure W Transportation Tax	Capital Projects Funds	Debt Service Fund	Non-major funds	
	General	General	Totals	
			2020	2019
\$438,863			\$3,338,155	\$2,910,863
			219,429	589,121
4,408		\$230	258,558	178,865
			409,437	375,974
			365,917	428,141
	\$3,276,956		7,221,300	4,811,610
443,271	3,276,956	230	11,812,796	9,294,574
			55,882	376,658
			204,370	207,021
			91,111	72,983
			179,279	199,602
			15,013	22,717
			167,088	49,069
	3,754,294		3,972,714	4,185,712
		1,358,246	1,358,246	1,411,245
		356,404	356,404	343,660
	3,754,294	1,714,650	6,400,107	6,868,667
443,271	(477,338)	(1,714,420)	5,412,689	2,425,907
	1,453,200	1,713,521	3,549,517	3,650,364
	(2,236,538)		(4,843,676)	(3,376,248)
	(783,338)	1,713,521	(1,294,159)	274,116
443,271	(1,260,676)	(899)	4,118,530	2,700,023
	4,132,204	900	16,288,918	13,588,895
\$443,271	\$2,871,528	\$1	\$20,407,448	\$16,288,918

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, 2020

	SPECIAL REVENUE FUNDS					
	In-Lieu			Agency on Aging		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits						
Use of money & property	\$40,000	\$115,075	\$75,075	\$200	\$678	\$478
Intergovernmental				154,270	143,919	(10,351)
Charges for services						
Fines and forfeitures						
Other revenues		3,173,625		75,000	71,580	(3,420)
Total revenues	<u>40,000</u>	<u>3,288,700</u>	<u>75,075</u>	<u>229,470</u>	<u>216,177</u>	<u>(13,293)</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Streets						
Parks and recreation				154,270	168,475	(14,205)
Library						
Community and economic development	109,850	39,850	70,000			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>109,850</u>	<u>39,850</u>	<u>70,000</u>	<u>154,270</u>	<u>168,475</u>	<u>(14,205)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(69,850)</u>	<u>3,248,850</u>	<u>3,318,700</u>	<u>75,200</u>	<u>47,702</u>	<u>(27,498)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out				(75,000)	(47,024)	27,976
Total other financing sources and uses				<u>(75,000)</u>	<u>(47,024)</u>	<u>27,976</u>
Net change in fund balances	(69,850)	3,248,850	3,318,700	200	678	478
FUND BALANCES:						
Beginning of year	3,881,339	3,881,339		34,071	34,071	
End of year	<u>\$3,811,489</u>	<u>\$7,130,189</u>	<u>\$3,318,700</u>	<u>\$34,271</u>	<u>\$34,749</u>	<u>\$478</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)
			\$1,795,003	\$1,844,231	\$49,228			
\$288,250	\$35 98,180	\$35 (190,070)	2,000	14,123	12,123	\$800	\$384	(\$416)
<u>288,250</u>	<u>98,215</u>	<u>(190,035)</u>	<u>1,797,003</u>	<u>1,858,354</u>	<u>61,351</u>	<u>800</u>	<u>384</u>	<u>(416)</u>
81,000	50,608	30,392						
			1,760	2,535	(775)			
47,250 160,000	47,250							
<u>288,250</u>	<u>97,858</u>	<u>30,392</u>	<u>1,760</u>	<u>2,535</u>	<u>(775)</u>			
	357	(220,427)	1,795,243	1,855,819	62,126	800	384	(416)
			(1,938,000)	(1,938,000)		(39,000)	(39,000)	
			(1,938,000)	(1,938,000)		(39,000)	(39,000)	
	357	(220,427)	(142,757)	(82,181)	62,126	(38,200)	(38,616)	(416)
11,870	11,870		904,772	904,772		51,313	51,313	
<u>\$11,870</u>	<u>\$12,227</u>	<u>(\$220,427)</u>	<u>\$762,015</u>	<u>\$822,591</u>	<u>\$62,126</u>	<u>\$13,113</u>	<u>\$12,697</u>	<u>(\$416)</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, 2020

	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	\$5,000	\$16,739	\$11,739	\$1,400	\$3,943	\$2,543
Intergovernmental				130,000	155,948	25,948
Charges for services						
Fines and forfeitures	105,000	365,917	260,917			
Other revenues						
Total revenues	<u>110,000</u>	<u>382,656</u>	<u>272,656</u>	<u>131,400</u>	<u>159,891</u>	<u>28,491</u>
EXPENDITURES:						
Current:						
General government						
Public safety	253,572	150,810	102,762			
Public works						
Streets						
Parks and recreation						
Library						
Community and economic development						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures	<u>253,572</u>	<u>150,810</u>	<u>102,762</u>			
REVENUES OVER (UNDER) EXPENDITURES	<u>(143,572)</u>	<u>231,846</u>	<u>169,894</u>	<u>131,400</u>	<u>159,891</u>	<u>28,491</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(78,000)	(78,000)		(100,000)	(100,000)	
Total other financing sources and uses	<u>(78,000)</u>	<u>(78,000)</u>		<u>(100,000)</u>	<u>(100,000)</u>	
Net change in fund balances	<u>(221,572)</u>	<u>153,846</u>	<u>169,894</u>	<u>31,400</u>	<u>59,891</u>	<u>28,491</u>
FUND BALANCES:						
Beginning of year	880,202	880,202		165,037	165,037	
End of year	<u>\$658,630</u>	<u>\$1,034,048</u>	<u>\$169,894</u>	<u>\$196,437</u>	<u>\$224,928</u>	<u>\$28,491</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)
			\$190,000	\$142,996	(\$47,004)			
\$3,500	\$6,830	\$3,330	22,000	47,020	25,020	\$3,200	\$5,569	\$2,369
11,685	11,390	(295)						
83,034	95,621	12,587	65,000	101,516	36,516			
98,219	113,841	15,622	277,000	291,532	14,532	3,200	5,569	2,369
			27,530	18,207	9,323			
			103,200	2,952	100,248			
80,041	88,576	(8,535)						
			8,000	10,804	(2,804)			
			10,000	15,013	(5,013)			
			101,415	79,988	21,427			
80,041	88,576	(8,535)	250,145	126,964	123,181			
18,178	25,265	24,157	26,855	164,568	(108,649)	3,200	5,569	2,369
			(75,000)	(75,000)				
			(75,000)	(75,000)				
18,178	25,265	24,157	(48,145)	89,568	(108,649)	3,200	5,569	2,369
392,907	392,907		2,698,907	2,698,907		401,010	401,010	
\$411,085	\$418,172		\$2,650,762	\$2,788,475	(\$108,649)	\$404,210	\$406,579	\$2,369

(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, 2020

	SPECIAL REVENUE FUNDS					
	City as Housing Agency			Impact Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes						
Licenses and permits					\$76,433	\$76,433
Use of money & property		\$15,242	\$15,242		1,752	1,752
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues						
Total revenues		<u>15,242</u>	<u>15,242</u>		<u>78,185</u>	<u>78,185</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Streets						
Parks and recreation						
Library						
Community and economic development						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total expenditures						
REVENUES OVER (UNDER) EXPENDITURES		<u>15,242</u>	<u>15,242</u>		<u>78,185</u>	<u>78,185</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
Total other financing sources and uses						
Net change in fund balances		<u>15,242</u>	<u>15,242</u>		<u>78,185</u>	<u>78,185</u>
FUND BALANCES:						
Beginning of year	\$685,407	685,407		\$33,021	33,021	
End of year	<u>\$685,407</u>	<u>\$700,649</u>	<u>\$15,242</u>	<u>\$33,021</u>	<u>\$111,206</u>	<u>\$78,185</u>

SPECIAL REVENUE FUNDS

Measure A Transportation Tax			Disaster Recovery			Measure W Transportation Tax		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,000,000	\$1,055,061	\$55,061				\$452,270	\$438,863	(\$13,407)
15,000	26,530	11,530					4,408	4,408
			\$1,134,448	\$502,002	(\$632,446)			
<u>1,015,000</u>	<u>1,081,591</u>	<u>66,591</u>	<u>1,134,448</u>	<u>502,002</u>	<u>(632,446)</u>	<u>452,270</u>	<u>443,271</u>	<u>(8,999)</u>
			456,484	37,675				
			3,744,922	218,420	3,526,502			
			<u>4,201,406</u>	<u>256,095</u>	<u>3,526,502</u>			
<u>1,015,000</u>	<u>1,081,591</u>	<u>66,591</u>	<u>(3,066,958)</u>	<u>245,907</u>	<u>3,312,865</u>	<u>452,270</u>	<u>443,271</u>	<u>(8,999)</u>
\$249,301	282,796	33,495	100,000	100,000				
(1,605,000)	(330,114)	1,274,886						
<u>(1,355,699)</u>	<u>(47,318)</u>	<u>1,308,381</u>	<u>100,000</u>	<u>100,000</u>				
(340,699)	1,034,273	1,374,972	(2,966,958)	345,907	3,312,865	452,270	443,271	(8,999)
<u>1,451,878</u>	<u>1,451,878</u>		<u>564,080</u>	<u>564,080</u>				
<u>\$1,111,179</u>	<u>\$2,486,151</u>	<u>\$1,374,972</u>	<u>(\$2,402,878)</u>	<u>\$909,987</u>	<u>\$3,312,865</u>	<u>\$452,270</u>	<u>\$443,271</u>	<u>(\$8,999)</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, 2020

	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					\$230	\$230
Intergovernmental						
Charges for services						
Fines and forfeitures						
Other revenues	\$11,170,955	\$3,276,956	(\$7,893,999)			
Total revenues	<u>11,170,955</u>	<u>3,276,956</u>	<u>(7,893,999)</u>		<u>230</u>	<u>230</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Streets						
Parks and recreation						
Library						
Community and economic development						
Capital outlay	13,474,184	3,754,294	9,719,890			
Debt service:						
Principal				\$1,358,246	1,358,246	
Interest and fiscal charges				358,585	356,404	2,181
Total expenditures	<u>13,474,184</u>	<u>3,754,294</u>	<u>9,719,890</u>	<u>1,716,831</u>	<u>1,714,650</u>	<u>2,181</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>(2,303,229)</u>	<u>(477,338)</u>	<u>1,825,891</u>	<u>(1,716,831)</u>	<u>(1,714,420)</u>	<u>2,411</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	1,453,200	1,453,200		1,716,831	1,713,521	(3,310)
Transfers out	(2,774,100)	(2,236,538)	537,562			
Total other financing sources and uses	<u>(1,320,900)</u>	<u>(783,338)</u>	<u>537,562</u>	<u>1,716,831</u>	<u>1,713,521</u>	<u>(3,310)</u>
Net change in fund balances	<u>(3,624,129)</u>	<u>(1,260,676)</u>	<u>2,363,453</u>		<u>(899)</u>	<u>(899)</u>
FUND BALANCES:						
Beginning of year	4,132,204	4,132,204		900	900	
End of year	<u>\$508,075</u>	<u>\$2,871,528</u>	<u>\$2,363,453</u>	<u>\$900</u>	<u>\$1</u>	<u>(\$899)</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, 2020
(with comparative totals for June 30, 2019)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>Technology Development</u>	<u>Facilities Maintenance</u>
ASSETS				
Current assets:				
Cash and investments	\$246,765	\$1,158,323	\$215,269	\$264,696
Cash and investments held by trustees		91,119		
Loans receivable		233		
Total current assets	<u>246,765</u>	<u>1,249,675</u>	<u>215,269</u>	<u>264,696</u>
Noncurrent assets:				
Capital assets (net)				9,284
Total noncurrent assets				<u>9,284</u>
Total assets	<u>\$246,765</u>	<u>\$1,249,675</u>	<u>\$215,269</u>	<u>\$273,980</u>
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	\$22,107	\$259,668	\$23,148	\$63,372
Compensated absences	2,622		7,724	6,093
Liability for claims		1,126,626		
Total current liabilities	<u>24,729</u>	<u>1,386,294</u>	<u>30,872</u>	<u>69,465</u>
Noncurrent liabilities:				
Compensated absences	5,347		19,959	20,622
Liability for claims		3,809,374		
Total noncurrent liabilities	<u>5,347</u>	<u>3,809,374</u>	<u>19,959</u>	<u>20,622</u>
Total liabilities	<u>30,076</u>	<u>5,195,668</u>	<u>50,831</u>	<u>90,087</u>
NET POSITION				
Invested in capital assets, net of related debt				9,284
Unrestricted net position	216,689	(3,945,993)	164,438	174,609
Total net position	<u>216,689</u>	<u>(3,945,993)</u>	<u>164,438</u>	<u>183,893</u>
Total liabilities and net position	<u>\$246,765</u>	<u>\$1,249,675</u>	<u>\$215,269</u>	<u>\$273,980</u>

Totals	
2020	2019
\$1,885,053	\$2,050,503
91,119	91,119
233	
<u>1,976,405</u>	<u>2,141,622</u>
9,284	13,263
<u>9,284</u>	<u>13,263</u>
<u>\$1,985,689</u>	<u>\$2,154,885</u>
\$368,295	\$217,203
16,439	20,979
1,126,626	1,043,768
<u>1,511,360</u>	<u>1,281,950</u>
45,928	65,575
<u>3,809,374</u>	<u>3,368,232</u>
<u>3,855,302</u>	<u>3,433,807</u>
<u>5,366,662</u>	<u>4,715,757</u>
9,284	13,263
<u>(3,390,257)</u>	<u>(2,574,135)</u>
<u>(3,380,973)</u>	<u>(2,560,872)</u>
<u>\$1,985,689</u>	<u>\$2,154,885</u>

CITY OF SAN BRUNO
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	Central Garage	Self- Insurance	Technology Development	Facilities Maintenance
OPERATING REVENUES:				
Charges for services	\$810,000	\$2,246,554	\$833,000	\$1,514,000
Other revenue		87,222	6,506	279
Total operating revenues	810,000	2,333,776	839,506	1,514,279
OPERATING EXPENSES:				
Central garage	600,771			
Insurance premiums, claims and administration		3,472,788		
Technology			898,329	
Facilities				1,341,795
Depreciation				3,979
Total operating expenses	600,771	3,472,788	898,329	1,345,774
OPERATING INCOME (LOSS)	209,229	(1,139,012)	(58,823)	168,505
Transfer (to) other funds				
Total transfers				
CHANGE IN NET POSITION	209,229	(1,139,012)	(58,823)	168,505
NET POSITION:				
Beginning of year	7,460	(2,806,981)	223,261	15,388
End of year	<u>\$216,689</u>	<u>(\$3,945,993)</u>	<u>\$164,438</u>	<u>\$183,893</u>

Totals	
2020	2019
\$5,403,554	\$4,843,825
94,007	228993
<u>5,497,561</u>	<u>5,072,818</u>
600,771	699,922
3,472,788	2,698,879
898,329	745,420
1,341,795	1,327,613
3,979	5,350
<u>6,317,662</u>	<u>5,477,184</u>
<u>(820,101)</u>	<u>(404,366)</u>
<u>(820,101)</u>	<u>(404,366)</u>
<u>(2,560,872)</u>	<u>(2,156,506)</u>
<u><u>(\$3,380,973)</u></u>	<u><u>(\$2,560,872)</u></u>

CITY OF SAN BRUNO
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	<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	\$808,108	\$2,333,776	\$837,469	\$1,494,021
Cash payments to suppliers for goods and services	(631,984)	(3,311,930)	(905,735)	(1,313,175)
Cash reimbursements for loss claims		524,000		
Net cash provided (used) by operating activities	<u>176,124</u>	<u>(454,154)</u>	<u>(68,266)</u>	<u>180,846</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				
Net cash provided by capital financing activities				
Net increase in cash and cash equivalents	<u>176,124</u>	<u>(454,154)</u>	<u>(68,266)</u>	<u>180,846</u>
CASH AND CASH EQUIVALENTS:				
Beginning of year	70,641	1,703,596	283,535	83,850
End of year	<u>\$246,765</u>	<u>\$1,249,442</u>	<u>\$215,269</u>	<u>\$264,696</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$209,229	(\$1,139,012)	(\$58,823)	\$168,505
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation				3,979
(Increase) decrease in current assets:				
Loans receivable		(233)		
Prepaid items				
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(31,213)	161,091	(7,406)	28,620
Compensated absences	(1,892)		(2,037)	(20,258)
Increase (decrease) in claims liability - current & noncurrent		524,000		
Net cash provided (used) by operating activities	<u>\$176,124</u>	<u>(\$454,154)</u>	<u>(\$68,266)</u>	<u>\$180,846</u>
Presentation in Statement of Net Position:				
Cash and investments	\$246,765	\$1,158,323	\$215,269	\$264,696
Cash and investments held by trustees		91,119		
Total Cash and Cash Equivalents, End of Year	<u>\$246,765</u>	<u>\$1,249,442</u>	<u>\$215,269</u>	<u>\$264,696</u>

Totals	
2020	2019
\$5,473,374	\$5,063,426
(6,162,824)	(5,572,581)
524,000	80,000
<u>(165,450)</u>	<u>(429,155)</u>
	(1)
	(1)
<u>(165,450)</u>	<u>(429,156)</u>
<u>2,141,622</u>	<u>2,570,779</u>
<u>\$1,976,172</u>	<u>\$2,141,623</u>
(\$820,101)	(\$404,366)
3,979	5,350
(233)	12,777
151,092	(113,524)
(24,187)	(9,392)
524,000	80,000
<u>(\$165,450)</u>	<u>(\$429,155)</u>
\$1,885,053	\$2,050,503
91,119	91,119
<u>\$1,976,172</u>	<u>\$2,141,622</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, 2020
(with comparative totals for June 30, 2019)

	Project Development	Recology San Bruno	Totals	
			2020	2019
ASSETS				
Cash and investments	\$247,105	\$457,248	\$704,353	\$803,201
Accounts receivable		618,845	618,845	549,159
Total assets	\$247,105	\$1,076,093	\$1,323,198	\$1,352,360
LIABILITIES				
Accounts payable	\$390,467	\$1,073,670	\$1,464,137	\$1,533,872
Other liabilities	(143,362)	2,423	(140,939)	(181,512)
Total liabilities	\$247,105	\$1,076,093	\$1,323,198	\$1,352,360

CITY OF SAN BRUNO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$334,261		(\$87,156)	\$247,105
Total assets	\$334,261		(\$87,156)	\$247,105
LIABILITIES				
Accounts payable	\$517,345		(\$126,878)	\$390,467
Other liabilities	(183,084)	\$39,722		(143,362)
Total liabilities	\$334,261	\$39,722	(\$126,878)	\$247,105
RECOLOGY SAN BRUNO				
ASSETS				
Cash and investments	\$468,940		(\$11,692)	\$457,248
Accounts receivable	549,159	\$69,686		618,845
Total assets	\$1,018,099	\$69,686	(\$11,692)	\$1,076,093
LIABILITIES				
Accounts payable	\$1,016,527	\$57,143		\$1,073,670
Other liabilities	1,572	851		2,423
Total liabilities	\$1,018,099	\$57,994		\$1,076,093
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$803,201		(\$98,848)	\$704,353
Accounts receivable	549,159	\$69,686		618,845
Total assets	\$1,352,360	\$69,686	(\$98,848)	\$1,323,198
LIABILITIES				
Accounts payable	\$1,533,872	\$57,143	(\$126,878)	\$1,464,137
Other liabilities	(181,512)	40,573		(140,939)
Total liabilities	\$1,352,360	\$97,716	(\$126,878)	\$1,323,198

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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.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities					
Net investments in capital assets	\$ 36,981,386	\$ 48,151,315	\$ 49,191,126	\$ 50,124,094	\$ 47,667,730
Restricted	15,666,900	12,461,795	10,637,770	10,612,672	16,592,413
Unrestricted	5,382,344	6,089,202	(5,227,689)	(3,967,832)	(35,591,299)
Total governmental activities net position	<u>\$ 58,030,630</u>	<u>\$ 66,702,312</u>	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>	<u>\$ 28,668,844</u>
Business-type activities					
Net investments in capital assets	\$ 30,706,799	\$ 32,968,582	\$ 36,842,785	\$ 46,715,688	\$ 57,076,442
Restricted					
Unrestricted	16,048,910	18,311,018	19,519,379	24,822,052	11,218,527
Total business-type activities net position	<u>\$ 46,755,709</u>	<u>\$ 51,279,600</u>	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>	<u>\$ 68,294,969</u>
Primary government					
Net investments in capital assets	\$ 67,688,185	\$ 67,688,185	\$ 86,033,911	\$ 96,839,782	\$ 104,744,172
Restricted	15,666,900	15,666,900	10,637,770	10,612,672	16,592,413
Unrestricted	21,431,254	21,431,254	14,291,690	20,854,220	(24,372,772)
Total primary government net position	<u>\$ 104,786,339</u>	<u>\$ 104,786,339</u>	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>	<u>\$ 96,963,813</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities					
Net investments in capital assets	\$ 50,836,407	\$ 54,014,157	\$ 59,084,356	\$ 66,352,484	\$ 69,271,484
Restricted	12,444,902	15,727,642	18,264,533	18,534,689	22,102,576
Unrestricted	(34,557,594)	(42,133,843)	(41,778,351)	(47,316,623)	(55,052,523)
Total governmental activities net position	<u>\$ 28,723,715</u>	<u>\$ 27,607,956</u>	<u>\$ 35,570,538</u>	<u>\$ 37,570,550</u>	<u>\$ 36,321,537</u>
Business-type activities					
Net investments in capital assets	\$ 67,316,388	\$ 70,539,432	\$ 37,167,066	\$ 42,964,412	\$ 53,787,761
Restricted			40,979,572	27,693,026	15,720,390
Unrestricted	7,002,450	14,463,523	12,485,588	30,544,816	41,095,816
Total business-type activities net position	<u>\$ 74,318,838</u>	<u>\$ 85,002,955</u>	<u>\$ 90,632,226</u>	<u>\$ 101,202,254</u>	<u>\$ 110,603,967</u>
Primary government					
Net investments in capital assets	\$ 118,152,795	\$ 124,553,589	\$ 96,251,422	\$ 109,316,896	\$ 123,059,245
Restricted	12,444,902	15,727,642	18,264,533	46,227,715	37,822,966
Unrestricted	(27,555,144) *	(27,670,320)	(29,292,763)	(16,771,807)	(13,956,707)
Total primary government net position	<u>\$ 103,042,553</u>	<u>\$ 112,610,911</u>	<u>\$ 85,223,192</u>	<u>\$ 138,772,804</u>	<u>\$ 146,925,504</u>

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 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	\$ 9,606,933
Public safety	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	31,788,329
Public works	888,426	932,496	954,150	850,759	863,706	929,223	1,032,599	1,797,113	2,332,672	1,566,728
Highways and streets	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	4,224,797
Parks and recreation	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	5,817,710
Library	1,680,862	1,693,611	1,695,581	1,731,305	1,731,305	1,799,797	1,937,465	2,094,990	2,093,683	2,458,480
Community development	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	3,057,191
Interest expense	612,570	455,313	931,179	267,977	416,914	403,839	387,374	380,311	388,594	373,262
Total governmental activities expenses	49,055,213	41,984,636	44,082,472	44,266,977	45,869,267	45,688,615	49,224,966	52,463,940	55,625,482	58,893,430
Business-type activities:										
Water	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	12,137,204
Stormwater	438,864	446,020	661,493	739,512	905,074	607,817	606,627	1,011,466	1,677,767	2,287,138
Wastewater	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	12,926,033
Cable Television	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	11,053,095
Total business-type activities expenses	28,806,601	28,354,226	29,219,476	29,446,740	31,552,700	32,867,358	34,012,955	37,301,115	36,933,138	38,403,470
Total primary government expenses	77,861,814	70,338,862	73,301,948	73,713,717	77,421,967	78,555,973	83,237,921	89,765,055	92,558,620	97,296,900
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 3,859,492
Public safety	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	2,120,724
Public works	149,299	205,501	135,283	104,982	86,752	165,037	475,379	308,461	301,330	421,557
Highways and streets	19,243	9,474	14,649	19,985	17,977	17,204	16,500	17,092	17,228	17,474
Parks and recreation	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	742,258
Library	105,247	132,216	94,866	92,227	96,969	86,593	92,709	93,014	26,855	17,101
Community development	922,255	1,793,825	969,707	988,285	1,759,620	1,547,278	1,832,185	1,847,569	2,635,631	2,860,417
Operating grants and contributions	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	2,231,014
Capital grants and contributions	79,562	1,897,433	1,143,765	88,658	391,523	227,381	133,241	1,408,402	1,936,614	7,755,245
Total governmental activities program revenues	18,526,343	20,476,535	17,117,301	16,736,910	19,732,509	11,962,168	16,989,530	24,571,191	19,305,858	20,005,282
Business-type activities:										
Charges for services:										
Water	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	16,936,737
Stormwater	593,179	612,325	611,886	1,474,221	839,852	652,195	1,035,641	645,507	648,323	650,555
Wastewater	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	18,230,960
Cable Television	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	9,303,573
Total business-type activities program revenues	30,783,108	32,701,280	34,222,095	41,315,001	37,448,327	38,473,635	40,971,188	42,689,886	45,158,104	45,121,825
Total primary government program revenues	49,309,451	53,177,815	51,339,396	58,051,911	57,180,836	50,435,803	57,960,718	67,261,077	64,463,962	65,127,107
Net Revenues (Expenses)										
Governmental activities	\$ (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)	\$ (38,888,148)
Business-type activities	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	6,718,335
Total net revenues (expenses)	28,532,363	(17,161,047)	(21,962,552)	(15,661,806)	(20,241,131)	(28,120,170)	(25,277,203)	(22,503,978)	(28,094,658)	(32,169,793)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 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	\$ 12,212,891
Property taxes, tax increment for redevelopment purposes	8,900,038	3,607,372	-	-	-	-	-	-	-	-
Transient occupancy tax	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	2,617,524
Franchise tax	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	1,861,256
Sales tax, including subvention	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	9,281,920
Cardroom taxes	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	1,974,980
Other taxes	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	1,972,392
Intergovernmental:										
State motor vehicle in-lieu tax, including subvention	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	5,013,326
State highway user tax	-	-	-	1,370,767	1,270,588	976,525	887,258	1,243,782	1,811,108	1,844,231
Use of money and property	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	2,130,318
Miscellaneous and extraordinary items	-	1,328,242	(11,968,561)	(204,035)	274,320	-	-	-	-	-
Transfers	(91,576)	(29,493)	58,075	(3,064,452)	(258,524)	-	(3,476,327)	317,399	(720,000)	(1,269,703)
Total governmental activities	32,470,012	30,179,783	14,864,066	29,697,794	32,388,978	33,781,318	31,119,677	35,835,331	38,319,636	37,639,135
Business-type activities:										
Use of money and property	119,045	147,344	138,020	242,863	174,855	159,068	249,557	557,899	1,625,062	1,413,655
Transfers	91,576	29,493	(58,075)	3,064,452	1,768,413	258,524	3,476,327	(317,399)	720,000	1,269,703
Total business-type activities	210,621	176,837	79,945	3,307,315	1,943,268	417,592	3,725,884	240,500	2,345,062	2,683,358
Total primary government	\$ 32,680,633	\$ 30,356,620	\$ 14,944,011	\$ 33,005,109	\$ 34,332,246	\$ 34,198,910	\$ 34,845,561	\$ 36,095,831	\$ 40,664,698	\$ 40,322,493
Change in Net Position										
Governmental activities	\$ 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	\$ (1,249,013)
Business-type activities	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	9,401,713
Total primary government	\$ 4,128,270	\$ 13,195,573	\$ (7,018,541)	\$ 17,343,303	\$ 14,091,115	\$ 6,078,740	\$ 9,568,358	\$ 13,591,853	\$ 12,570,040	\$ 8,152,700

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 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	\$ 29,841,240
Licenses and permits	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	3,850,848
Intergovernmental	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	6,809,578
Charges for services	4,249,436	4,648,073	3,120,324	2,826,577	3,134,354	3,398,555	3,301,524	3,689,192	3,689,192	2,918,239
Fines and Forfeitures	739,033	759,985	676,421	654,000	605,704	698,463	1,132,649	7,009,636	1,345,048	1,115,456
Use of money and property	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	2,349,974
Other revenues	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	12,481,391
Total revenues:	\$ 51,087,932	\$ 49,357,569	\$ 43,891,853	\$ 49,703,191	\$ 50,200,454	\$ 48,750,913	\$ 52,251,759	\$ 60,109,123	\$ 57,892,888	\$ 59,366,726
Expenditures										
General Government	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	6,526,050
Public safety	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	27,536,184
Public works	827,163	954,530	876,159	856,559	1,028,427	895,218	852,334	984,844	1,255,226	1,447,402
Highways and streets	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	1,928,545
Parks and recreation	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	5,844,760
Library	1,609,374	1,635,242	1,628,841	1,631,084	1,724,112	1,758,937	1,841,983	2,038,896	2,067,693	2,105,201
Community Development	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	3,043,416
Capital outlay	699,463	2,154,326	1,161,609	360,076	225,737	5,137,379	7,844,120	8,675,937	12,649,502	6,172,424
Debt service:										
Principal	574,031	365,592	386,409	807,336	818,289	829,272	1,939,282	1,035,038	1,411,245	1,358,246
Interest	651,882	219,706	542,606	410,689	399,660	386,635	368,929	363,591	343,660	356,404
Total expenditures	\$ 45,066,237	\$ 41,759,202	\$ 41,584,980	\$ 42,888,154	\$ 43,679,476	\$ 47,300,284	\$ 51,620,758	\$ 54,263,260	\$ 60,732,966	\$ 56,318,632
Reconciliation of Government Revenues										
Less expenditures to fund equity										
Revenues over (under) expenditures	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)	3,048,094
Extraordinary item	-	(6,591,758)	-	-	-	-	-	-	-	-
Other financing sources (Transfer in)	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	10,231,738
Other financing sources (Transfer out)	(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)	(11,501,441)
Other financing sources (Capital lease)	-	-	-	-	-	-	1,873,846	-	1,630,339	-
Other financing sources (uses):	-	-	-	-	-	-	-	-	-	-
Proceeds of debt issued (refunds)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances (e)	\$ 5,483,522	\$ 708,450	\$ 2,627,284	\$ 3,375,966	\$ 4,626,299	\$ 7,623,202	\$ (971,480)	\$ 6,163,262	\$ (1,949,739)	\$ 1,778,391
Debt service as a percentage of noncapital expenditures	2.8%	1.5%	2.3%	2.9%	2.8%	2.9%	5.3%	3.1%	3.6%	3.4%

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

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total			Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
					Secured Property	Unsecured Property	Total Assessed (b)			
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	
2020	6,402,789,888	1,635,452,776	81,593,747	93,290,564	8,213,126,975	191,613,489	8,404,740,464	8,404,740,464	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	
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
2020	1.0000	1.0000	0.1148	0.0000	1.1148

Source: California Municipal Statistics

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

	2019-20				2010-2011					
	Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(1)	Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(2)
Google Inc.		Office Building	\$ 499,378,756	1	6.08%	ASN Tanforan Crossing I LLC	Apartments	\$ 154,742,167	1	20.24%
Crystal Springs Associates		Apartments	187,640,474	2	2.28%	Tanforan Park Shopping Center	Shopping Center	123,259,216	2	16.13%
Shops at Tanforan Associates LLC		Shopping Center	164,038,717	3	2.00%	The Gap Inc.	Office Building	122,969,315	3	16.09%
ASN Tanforan Crossing I LLC		Apartments	155,850,905	4	1.90%	Bayhill Four Associates	Office Building	103,000,000	4	13.48%
Walmart Stores Inc		Office Building	132,969,038	5	1.62%	SNK SB Crossing LLC	Apartments	74,416,906	5	9.74%
Seritage SRC Financial LLC		Shopping Center	103,998,384	6	1.27%	CREA-San Bruno LLC	Office Building	43,500,000	6	5.69%
San Bruno III Financing LP		Apartments	95,355,802	7	1.16%	Landmark Towne Center LLC	Shopping Center	40,673,508	7	5.32%
Gap Inc.		Office Building	67,081,774	8	0.82%	Aimco San Bruno Apartments Partn	Apartments	35,800,308	8	4.68%
Welch Family Partnership		Commercial	64,922,050	9	0.79%	FW CA Bay Hill Shopping Center	Shopping Center	34,427,813	9	4.50%
Benringer Harvard Acappella LP		Apartments	62,150,324	10	0.76%	Crystal Springs Associates	Apartments	31,587,382	10	4.13%
Subtotal			\$ 1,533,386,224		18.67%			\$ 764,376,615		100.00%

Total Local Secured Assessed Valuation:

(1) Fiscal Year 2019-20 8,213,126,975
 (2) Fiscal Year 2010-11 764,376,615

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, 2020

Name	Address
Aimco dba Pacific Bay Vistas Apartment	2 Pacific Bay Vistas
Automotive Workwear Inc.	881 Sneath Ln#113
BJ's Restaurant	1150 El Camino Real Ste 270
Budget Business Class	881 Sneath Ln#225
Clapp, Moroney, Bellagamba & Vucinich	1111 Bayhill Dr Ste 300
CVS/Pharmacy #9807	10 Bayhill Shopping Ctr
Dynamic Signal Inc.	1111 Bayhill Dr Ste 125
Evergreen Ridge Apartments	3815 Susan Dr
Grand Electric Construction Co. Inc.	133 Tanforan Ave
Happy Lemon	1150 El Camino Real Ste 208
Interfresh Inc.	901 Sneath Ln. #215
J.C. Penney Corp. Inc.	1122 El Camino Real
Jack's Restaurant & Bar	1050 Admiral Ct
Lowe's Home Centers LLC	1340 El Camino Real
Lucky #748	1322 El Camino Real
Marshall's #492	1268 El Camino Real
Mollie Stone's Market	851 Cherry Ave Ste 22
Provident Funding Associates LP	851 Traeger Ave Ste100
PT Gaming LLC	659 Huntington Ave
RMC Motorcars	444 El Camino Real
Sam's Club.Com/Walmart Stores Inc.	950 Elm Ave
San Bruno BB Mobil	717 San Bruno Ave E
San Bruno Gas	401 San Mateo Ave.
San Bruno Kwik Serv	2101 San Bruno Ave W
San Bruno Plaza LLC DBA Aperture	400 San Mateo Ave.
San Bruno Towne Center	San Bruno Town Ctr.
Sears Operations, LLC #1478	1322 El Camino Real
Shops at Tanforan LLC	1150 El Camino Real Ste 170
Specialty Tobacco Outlet	1230 El Camino Real Ste L
Staybridge Suites	1350 Huntington Ave.
Stratford School	2322 Crestmoor Dr.
Target Store T1054	1150 El Camino Real
The Permanente Medical Group	901 El Camino Real
The Permanente Medical Group Tax Dept.	801 Traeger Ave
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.
Walgreens #2939	333 El Camino Real
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
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%
2020	7,609,212	7,609,212	100%	-	7,609,212	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
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
2020	-	6,948,374	269,031	980,344	8,197,750

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				
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	2.3%
2016	-	6,708,883	-	-	-	7,741,648	14,450,531	24,809,834	45,360	546.95	1.5%
2017	-	6,426,008	-	-	-	6,890,896	13,316,904	23,630,289	45,295	521.70	1.4%
2018	-	6,128,132	27,096,017	12,861,644	-	6,018,384	52,104,177	61,402,042	46,085	1,332.37	3.3%
2019	-	5,825,258	26,763,483	12,700,089	-	5,123,552	50,412,382	59,948,860	45,257	1,324.63	3.1%
2020	-	5,512,381	26,235,949	12,448,534	-	4,205,832	48,402,697	56,600,446	45,454	1,245.22	2.8%

Fiscal Year Ended June 30,	Fiduciary Funds	
	Certificates of Participation	2019 Lease Revenue Bonds
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
2020	-	4,956,642

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2020

2019-20 Assessed Valuation:	\$	8,404,740,464		
		Total Debt		City's Share of
Overlapping Tax and Assessment Debt:		6/30/20	% Applicable (1)	Debt 6/30/20
San Mateo Community College District	\$	766,683,503	3.512%	\$ 26,925,925
South San Francisco Unified School District		167,147,409	1.056	1,765,077
San Mateo Union High School District		623,906,623	9.778	61,005,590
San Bruno Park School District		31,174,562	92.045	28,694,626
Millbrae School District		52,554,527	2.857	1,501,483
				\$ 119,892,701
Ratios to 2019-20 Assessed Valuation:				
Total Overlapping Tax and Assessment Debt				1.43%
Direct and Overlapping General Fund Debt:				
San Mateo County General Fund Obligations	\$	515,920,256	3.512%	\$ 18,119,119
San Mateo County Board of Education Certificates of Participation		7,505,000	3.512	263,576
San Mateo County Flood Control District Certificates of Participation		16,135,000	6.687	1,078,947
South San Francisco Unified School District Certificates of Participation		3,390,000	1.056	35,798
San Bruno Park School District Lease Revenue Bonds		2,820,000	92.045	2,595,669
City of San Bruno Fire Apparatus 2017 Lease		269,031	100.00	269,031
City of San Bruno Pension Obligation Bonds		6,948,374	100.00	6,948,374
City of San Bruno CATV Router Lease		980,344	100.00	980,344
				30,290,859
Total Direct Debt				8,197,750
Total Overlapping Debt				141,985,810
Combined Total Debt ⁽²⁾				\$ 150,183,560 (2)
Ratios to Adjusted Assessed Valuation:				
Total Direct Debt (\$8,197,750)				0.10%
Combined Total Debt				1.79%
State School Building Aid Repayable as of 6/30/20	\$			-

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

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

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 2020 ⁽¹⁾

Gross Assessed Valuation	\$ 8,404,740,464
Bonded Debt Limit (3.75% of Assessed Value)	<u>315,177,767</u>
Less Amount of Debt Applicable to Limit	-
Legal Bonded Debt Margin	<u>\$ 315,177,767</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 737,577	\$ 782,820	\$ 798,292	\$ 842,892	\$ 906,586	\$ 967,607	\$ 260,349	\$ 275,518	\$ 295,778	\$ 315,178
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 315,178</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	
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
2020	18,947,384	8,955,800	9,991,584	295,000	235,775	18.82
2017 Wastewater Revenue Bonds						
2018	17,032,182	8,431,394	8,600,788	-	573,459	15.00
2019	18,643,453	8,039,977	10,603,476	245,000	999,700	8.52
2020	18,947,384	8,955,800	9,991,584	440,000	986,500	7.00
2017 Water Revenue Bonds						
2018	15,561,896	8,819,147	6,742,749	-	272,194	24.77
2019	17,721,522	9,032,331	8,689,191	120,000	474,400	14.62
2020	17,614,884	9,715,615	7,899,269	210,000	468,100	11.65

Note:

⁽¹⁾ Gross revenues include nonoperating interest income

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

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

Source: City financial records

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

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Median Age(3)	San Mateo County		
					**School Enrollment	County Unemployment Rate(4)	City Unemployment Rate(4)
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	1,165,025,706	26,234	38.5	3,900	3.2%	3.1%
2016	45,360	1,609,096,610	36,458	38.7	3,833	3.4%	3.3%
2017	45,295	1,730,857,835	38,213	39.2	3,774	3.0%	2.9%
2018	46,085	1,873,078,740	40,644	39.2	3,854	2.2%	2.3%
2019	45,257	1,940,212,847	42,871	39.3	3,692	1.7%	1.8%
2020	45,454	2,026,702,952	44,588	39.6	3,679	11.1%	13.4%

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 Park

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

City of San Bruno, California

Principal Employers

Current Year and Nine Years Ago

Employer	2019-20			2010-11***		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Walmart eCommerce Corporate Office	3,200	1	12.36%			
You Tube, Inc*	2,380	1	9.19%	481	2	17.52%
Skyline College**	680	3	2.63%			
Artichoke Joe's Casino	389	4	1.50%			
Target Store T 1054	255	5	0.98%	292	3	12.52%
San Bruno Park School District**	235	6	0.91%			
City of San Bruno	235	7	0.91%			
Lucky Supermarkets	199	8	0.77%			
Lowe's HIW, Inc.	180	9	0.69%	150	7	7.00%
J C Penney CO	164	10	0.63%			
Cisco Ironport Systems, Inc				262	1	12.22%
Lash Group, Inc				323	9	15.07%
Sears, Roebuck & Co***				293	6	13.67%
Inquira, Inc				160	10	7.46%
Melody Toyota				68	11	3.17%
Vantagepoint Venture Partners				57	8	2.66%
Davita Rx, LLC				52	5	2.43%
SNK SB Crossing LLC				6	4	0.28%
Total Top Employers	7,917		30.57%	2,144		94.00%
Total City Labor (1)	25,900					

Source: Avenu Insights & Analytics

2010-11: 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2.00	2.00
City Treasurer	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	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Human Resources	1.75	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Finance										
Administration	5.00	5.00	4.50	5.00	5.00	5.00	5.50	5.50	5.00	5.00
Revenue Services	6.00	6.00	6.00	5.00	5.00	5.00	4.50	4.50	5.00	5.00
Police	61.50	59.00	60.00	61.50	62.50	62.50	64.00	65.00	68.00	69.00
Fire	33.50	32.50	32.75	32.75	33.30	33.40	35.00	35.00	35.00	36.00
Public Works										
Admin. & Engineering	6.75	6.75	6.75	6.70	6.70	6.70	6.70	6.70	6.70	6.70
Streets Maintenance	5.05	5.05	5.05	5.10	5.70	5.80	5.80	5.80	5.70	5.70
Community Development										
Planning	2.00	1.75	3.50	4.50	4.50	4.25	5.75	5.25	5.25	5.25
Building	4.00	4.25	6.50	6.50	7.50	7.75	8.25	8.75	8.75	10.75
Parks & Recreation Services										
Recreation	4.05	4.05	4.00	4.00	4.75	4.90	4.90	4.90	4.90	4.90
Parks Maintenance	14.35	13.35	13.80	13.80	14.30	13.05	13.05	13.05	15.05	15.05
Senior Services	2.25	1.25	3.35	3.35	3.45	3.75	3.65	3.65	3.65	3.65
Library Services	8.75	8.75	7.65	7.65	7.55	7.75	7.85	7.85	7.85	7.85
Subtotal	165.95	160.45	167.10	170.10	174.50	174.10	179.20	179.70	185.35	189.35
Special Revenues										
Solid Waste	0.35	0.35	0.35	0.35	0.35	0.45	0.45	0.45	0.45	0.45
RDA Operation	3.60	3.60	-	-	-	-	-	-	-	-
Successor Agency to SB RDA	N/A	N/A	1.00	-	-	-	-	-	-	-
RDA Low/Mod Housing	1.90	1.90	-	-	-	-	-	-	-	-
Subtotal	5.85	5.85	1.35	0.35	0.35	0.45	0.45	0.45	0.45	0.45
Internal Services										
Central Garage	3.35	2.85	2.85	2.35	2.35	2.35	2.35	2.35	2.35	2.35
Buildings and Facilities	6.10	6.10	5.70	5.70	6.45	7.05	7.05	7.05	8.05	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	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal	13.45	12.95	12.55	11.55	12.80	13.40	13.40	13.40	14.40	14.40
Enterprise Funds										
Water Enterprise	17.30	17.30	17.30	16.95	17.45	17.45	17.95	17.95	17.95	17.95
Stormwater Enterprise	3.65	3.65	3.65	3.75	4.15	3.95	3.95	3.95	4.05	6.05
Wastewater Enterprise	14.55	15.55	15.55	15.80	16.30	16.30	16.80	16.80	16.80	16.80
Cable Enterprise	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Subtotal	55.50	56.50	56.50	56.50	57.90	57.70	58.70	58.70	58.80	60.80
Glenview Funds										
Crestmoor (Glenview) Recovery			5.00	4.25	3.70	3.70	2.00	0.50	-	-
Subtotal	N/A	N/A	5.00	4.25	3.70	3.70	2.00	0.50	-	-
Total Positions (all funds)	240.75	235.75	242.50	242.75	249.25	249.35	253.75	252.75	259.00	265.00

Source: Adopted City Budget

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Calls for Service	22,275	23,242	24,405	30,131	32,610	36,144	31,333	42,057	47,429	44,684
Physical arrests	1,401	1,371	989	1,071	1,224	1,280	1,311	1,087	1,627	1,240
Parking violations**	10,273	11,683	11,559	8,710	8,794	11,675	15,525	14,205	18,252	9,848
Traffic collisions	452	387	380	369	464	452	384	325	338	237
Moving citations	2,665	2,128	1,422	2,659	2,144	2,221	2,225	2,424	2,447	2,199
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,791	3,809	3,916	3,148	3,159	3,574	4,288	3,874	4,006	4,236
Number of inspection conducted**	1,341	1,381	1,358	1,326	1,375	1,420	1,360	1,307	1,415	1,621
Public Works										
Street repair (sq. ft.)	8,750	4,304	3,923	4,792	14,697	861,150	145,204	539,343	816,331	80,999
Potholes repaired	1,055	1,016	2,311	2,670	2,185	1,618	2,333	1,442	1,905	2,546
Sidewalk repair (sq. ft)	2,478	2,215	896	11,625	14,980	651	262	119,922	3,624	8,001
Sidewalk curb&gutter repair (ft)	89	62	85	927	1,397	109	886	26,041	700	1,269
Street light poles replaced				6	14	9	13	65	44	50
Community Development:										
Plans checks	389	384	340	340	527	553	445	549	688	622
Permits Issued	1,575	1,375	1,284	1,283	1,339	1,622	1,500	1,468	1,455	1,276
Parks & recreation:										
Picnic rentals	766	813	673	934	954	859	842	888	820	532
Number of trees planted	*	*	*	63	120	75	100	100	100	71
Linear miles of medians maintained	*	*	*	7.35	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	294,333
Library visits	239,916	239,649	228,835	248,563	219,343	182,263	179,150	190,466	205,851	161,907
Water										
New service connections	320	271	265	442	263	285	363	243	282	238
Gallons purchased(millions of gallons)	584	796	725	600	477	507	948	950	1,102	907
Stormwater										
Number of curb miles swept	*	*	*	5,540	5,540	5,540	5,540	5,540	5,540	5,540
Number of catch basins cleaned and inspected	*	*	*	1,223	1,223	1,223	1,223	1,550	2,120	2,680
Cable										
Number of Internet service subscribers	*	*	*	6,085	6,111	6,337	6,460	6,600	7,260	7,109
Number of new customer installations	*	*	*	953	1,121	1,208	1,031	1,200	1,500	1,112

* Historical data is not available

**Calendar year as of October 31

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

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

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

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

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