



CITY OF SAN BRUNO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)

CITY OF SAN BRUNO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:
Finance Department

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Annual Comprehensive Financial Report
For the year ended June 30, 2023

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Introductory Section

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January 25, 2024

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

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

The Annual Comprehensive Financial Report (ACFR) of the City of San Bruno (City) for the fiscal year ended June 30, 2023, is herewith submitted. The City compiles and assists in the preparation of the ACFR covering the financial condition and results of operations for the City. Responsibility for the accuracy of the presented data, and the completeness and fairness of the presentation, including all footnotes and disclosures, rests with the management of the City. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City.

FINANCIAL STATEMENT PRESENTATION

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

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

The City's financial statements for the fiscal year ending June 30, 2023 have been audited by Badawi and Associates, a public accounting firm licensed and qualified to perform audits of local governments within the State of California. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies, including compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the United States Office of Management and Budget (OMB). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City’s separately issued Single Audit Report (issued in January 2024).

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

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

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

CITY PROFILE & SERVICES

With a population currently estimated at 42,054, San Bruno is 202nd largest city in California and the fifth largest city in San Mateo County. San Bruno is located on the San Francisco Peninsula, approximately 12 miles south of Downtown San Francisco. The city covers a total land area of 5.5 square miles, located between South San Francisco and Millbrae, and immediately adjacent to the San Francisco International Airport and Golden Gate National Cemetery. San Bruno serves as a major transportation center, with immediate access to major interstate freeways, including 101, 280 and 380; and commuter rail lines, such as Caltrain and Bay Area Rapid Transit (BART). San Bruno is adjacent to San Francisco International Airport, which can be accessed using BART or US 101. However, the other major San Francisco Bay Area airports (Oakland and San Jose) are accessible from San Bruno via BART, for the former, and Caltrain plus VTA services, for the latter. The community has more than 12,000 homes and residences of all types; and vast opportunities for commercial and industrial development. Major commercial facilities include Google, Amazon, Walmart, and Tanforan Crossing.

City Structure

San Bruno is a general law city incorporated in 1914 that operates under the council-manager form of government. Policy-making and legislative authorities are vested in the City Council consisting of the mayor and four other members. City Council members are elected at large for staggered four-year terms, and the Mayor is elected for a two-year term. The Mayor and City Council serve as the legislative and policy-making body of the City government and are responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management. The City Manager is responsible for the daily administration of the policies and ordinances of the City Council, providing overall direction to all City Departments, and appointing department directors.

City Services

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

Financial Reporting Entity

For financial reporting purposes, the reporting entity of the City consists of: (1) the primary government; (2) one discretely presented component unit: San Bruno Public Financing Authority; and (3) two blended component units: Successor Agency to the San Bruno Redevelopment Agency Trust Fund, and the Recology San Bruno Custodial Fund, for which the City Council is financially accountable for; therefore, these component unit activities are included in the accompanying basic financial statements. The San Bruno Community Foundation is considered related organization because the City is not financially accountable for its operations. Furthermore, the City has an equity interest via participation in a number of joint ventures, which exist due to joint exercise of power agreements. The complete financial activities have not been included for these entities as the City Council is not financially accountable for them. The funds and accounts for all agencies, boards, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1, on page 55 of the Notes to the Basic Financial Statements.

Budgetary Information

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

Budgetary Controls

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

budget authority established in the accounting system of record is then reconciled to the levels of funding authorized by the Adopted Budget.

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

Fund Balance Reserves

Reserve Policies: In complying with the provisions of GASB Statement 54 (fund balance reporting and fund type definitions), the City assigns a portion of its General Fund balance to reserve designations that include Contingency, Emergency Disaster and Capital Improvement/One-Time Initiative Reserve. The City's Reserves Policy designates the General Fund reserves for economic uncertainty, capital improvements, as well as the reserve for the internal service funds, which includes Central Garage, Buildings and Facilities, and Technology. Per policy, the General Fund reserves target should be no less than three months of city operating costs with an initial deposit of 20% of General Fund expenditures or at least 25% of budgeted General Fund expenditures. While further delineated in the accompanying MD&A, at the end of fiscal year 2023, the unassigned fund balance of the General Fund was \$7.4 million, while the total fund balance was \$40.0 million (includes non-spendable advances to other funds and deferred revenue of \$16.7 million, and a further \$15.9 million assigned for various purposes). The unassigned fund balance represents 12.6% of total General Fund expenditures of \$59.0 million (excluding Transfers Out).

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

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

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

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

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

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

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

City Accounting and Financial System

The accounting system of the City is organized and maintained on a fund basis. A fund is a separate, distinct accounting entity that has its own assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. The City uses GAAP when determining the types

of funds to establish and sound financial management practices when determining the number of funds within each fund type.

Measurement Focus and Basis of Accounting

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

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

Transparency in Government Operations and Financial Reporting

ECONOMIC CONDITION AND OUTLOOK

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

Local Economy

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

The City has made significant improvements towards a healthy recovery from the effects of COVID pandemic during the 2023 fiscal year. With the federal assistance (\$10.2 million) from the American Rescue Plan Act (ARPA), the City has worked diligently with local businesses to help in keeping their doors open for business, as well as the funding programs to stimulate the local economy and restore some city services. Nine previously frozen positions were restored, and nine new positions were added to the City team. ARPA fund is expected to exhaust by December 31, 2024. Despite the pandemic, San Bruno has seen a year over year increase in its assessed valuation in 2023, even as signs begin to emerge that retail spaces may be experiencing a fundamental shift.

Long-term Perspective

The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. The City worked incredibly diligently to reduce the level of reserves used during FY23 and will continue to do so moving forward while the effects from the COVID-19 pandemic continue. While the City has consistently worked to balance its budget, the City must continue this effort and make additional adjustments to its general fund expenditures to address and resolve an ongoing structural deficit largely driven by rising employee benefit costs.

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

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

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

Long-term Debt Ratings: The City maintains excellent ratings on its debt issuances. In recent fiscal years, the City has received high ratings, including a AAA rating from Standard & Poor for the 2013 Taxable Pension Obligation Bonds and a AA+ rating for the 2017 Water Revenue Bonds, 2017 Wastewater Revenue Bonds, 2017 Water Revenue Bonds and 2019 Lease Revenue Bonds. A critical component of the rating agency review is the City’s financial management status, i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

Debt Administration: The City has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt. As of June 30, 2023, the City had total debt outstanding of \$48.1 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

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

Cash Management: The City’s investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. As of June 30, 2023, the City manages and balances the City’s pooled cash portfolio of \$170.6 million market value, with the overall yield within policy guidelines.

MAJOR INITIATIVES & ACCOMPLISHMENTS

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

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

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

Capital Improvement Program

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP). The capital budget for FY2023 totaled about \$134.6 million, with approximately \$283.1 million tentatively programmed for the entire five-year period from FY23 through FY27. The City's CIP Projects predominantly support the Infrastructure Improvement Priority. Despite the global economic challenges, the City made major steps forward in all areas of the City's operation that directly address the City Council's established long-term objectives. Just a few of the many accomplishments the City has achieved in the FY23 are the following:

- **Constructing a New Recreation and Aquatic Center:** The new facilities will replace Veterans Memorial Recreation Center and the adjacent community swimming pool that have served generations of San Bruno residents for over six decades. The San Bruno Community Foundation has pledged \$50 million in restitution funding to turn the community's vision into reality over the next three years. The City has selected a contractor to construct the building and the project is expected to complete in the first half of 2024.
- **Implementation of the Transit Corridors Plan:** The modern transit-oriented residential and commercial project will transform the community's commercial corridor and downtown consistent with the City's adopted Transit Corridor Plan.
- **Water and Sewer Infrastructure Maintenance:** The City continues replacement of the underground water and sewer mainlines throughout many residential areas in "the Avenues" east of El Camino Real and the Water Tank Improvement and Replacement Program. These projects were delivered on time and within budget and were completed with minimal disruption to business activity in the downtown and other areas throughout the City and will assure reliable service to an area previously impacted by service failures due to aged, damaged, and deteriorating underground pipelines. The City also completed the Water and Sewer Rate Study in this fiscal year. City Council adopted five-year rate increases for wastewater and water, effective July 1, 2023 and January 1, 2024, respectively. The rate increases ensure revenues continue covering operational costs and necessary infrastructure improvements.
- **Fiber-to-the-Home in Large Multi-unit Developments:** Installation of a new FTTH network at the Shelter Creek, Peninsula Place and Crystal Springs Terrance apartment multi-family complexes showed 65% subscriber penetration, with strong, reliable network and data speeds of up to 1 gigabyte available to over 2,600 residences in San Bruno. During the coming year the City Council will need to determine whether to continue this initiative or to pursue an alternative strategy for the future of San Bruno CityNet Services.

Economic Development

Another application of the City's Strategic Priorities is to encourage economic development that supports the overall community and leverages the City's desirable transit access with major public transit and north-south freeway interchanges, as well as the City's proximity to San Francisco International Airport. The following notable economic development activity occurred in FY23:

- **Bayhill Specific Plan:** The Bayhill Office Park houses Walmart.com and YouTube, two of the City's largest employers, and includes office space expansion, creation of a private multi-modal transportation hub and a housing overlay. In October 2022, the City received a \$54.96 million payment of building, plumbing, plans check and other permits/fees as well as impact fees, affordable housing fees and negotiated community benefit payments for Phases 1 and 2 of the YouTube campus expansion.
- **YouTube Development:** The plan will build 440,000 square feet of new office space on an existing surface parking lots adjacent to existing buildings at 900 and 1000 Cherry Avenue.
- **Sale of the City-Owned Vacant Lot at The Crossing:** In 2020, the City was approached by Cardinale Auto Group with a proposal to develop and construct a new Hyundai and Genesis dealership on the City-owned vacant lot at The Crossing. The dealership opened in October 2022 on a limited lease duration basis at The Shops at Tanforan until the permanent location is constructed and operational. If the sale

occurs, the City will receive significant revenue increases from sales tax generating activities and operation and increased property tax revenue based on the assessed value.

- **Reimaging Tanforan:** In early 2022, Alexandria Real Estate bought the 44-acre Tanforan shopping center site. A master plan of a modern, mixed-use development plan is under making to include offices, hotels, retail, entertainment and a minimum of 1,000 housing units. In October 2022, the City received a preliminary plan to for that matter; it is estimated to generate more property tax on new assessed value.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the ACFR for the fiscal year ended June 30, 2022. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Acknowledgments

The issuance of this report would not have been possible without the enthusiastic efforts of the entire Finance Department team, especially Jeff Lichtenstein, John Mercado, Yu-Chiao Chao, Anh Tran, Kathy O'Malley, and Dana Liu; the many team members in other City departments who support fiscal operations; and the audit firm of Badawi & Associates. I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to upholding high standards and ensuring accountability as presented in this report.

Respectfully submitted,

Nick Pegueros
Chief Financial Officer

CITY OFFICIALS

City of San Bruno

(as of June 30, 2023)

CITY COUNCIL

Rico E. Medina, Mayor

Tom Hamilton, Vice Mayor

Sandy Alvarez, Councilmember, District 1

Marty Medina, Councilmember, District 4

Michael Salazar, Councilmember

CITY COUNCIL APPOINTED OFFICIALS

Interim City Manager, Alex D. McIntyre

City Attorney, Trisha A. Ortiz - RWG Law

CITY MANAGER APPOINTED EXECUTIVE TEAM

Assistant City Manager, Darcy Smith

Chief People Officer, Cora Dino

City Clerk, Lupita Huerta

Community & Economic Development Director, Peter Gilli

Interim Chief Financial Officer, Bobby Magee

Interim Community Services Director, Damian Sandholm

Fire Chief, Ari Delay

Police Chief, Ryan Johansen

Public Works Director, Matthew Lee, PE

City of San Bruno

567 El Camino Real

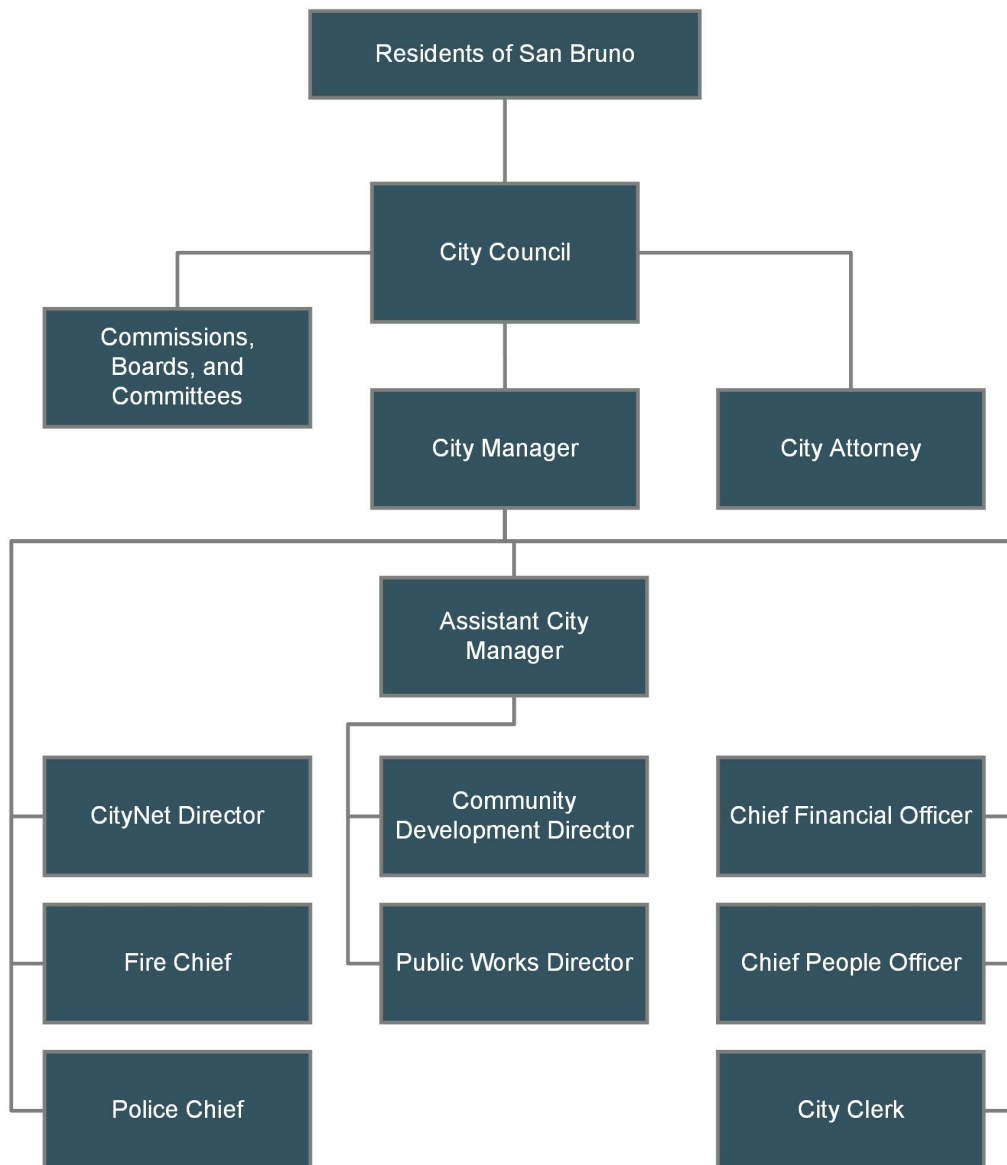
San Bruno, CA 94066

(650) 616-7080

ORGANIZATIONAL CHART

City of San Bruno

(as of June 30, 2023)



Financial Section

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – CityNet Fund Going Concern

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

Emphasis of Matter – Stormwater Fund Going Concern

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund, and major special revenue fund, and the required pension schedules on pages 7-22 and 103-113 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The combining General Fund statements, combining Developer Agreements and Impact Fees Fund statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities and Technology Capital Improvement Fund and nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining General Fund statements, combining Developer Agreements and Impact Fees statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities and Technology Capital Improvement Fund and nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

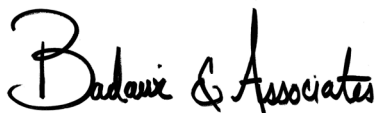
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory and Statistical Sections included in the annual comprehensive financial report but does not include the financial statements and our auditor's report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

Report on Summarized Comparative Information

We have previously audited the City's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs
Berkeley, California
January 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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 2022-23 (FY23)

Entity-wide:

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2023 by \$293.6 million (net position). The City's net position increased \$99.3 million, or 51.1%, from the previous fiscal year.
- The City's governmental activities program and general revenues (including transfers) of \$156.8 million exceeded expenses of \$61.9 million by \$94.9 - million, increasing net position to \$158.9 million.
- The City's business-type activities program revenues and general revenues (including transfers) from the four enterprise operations of \$46.8 million were greater than expenses of \$42.5 million by \$4.3 million, increasing net position to \$134.7 million.

Fund level:

- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$130.5 million, an increase of \$67.1 million or 105.8% compared to the prior year. Of this amount, \$16.7 million is non-spendable, \$75.2 million is restricted, \$40.6 million is assigned, and \$(2.1) million is unassigned.
- Revenues for governmental funds exceeded expenditures by \$66.3 million. Tax revenue grew \$0.4 million, or 2.7 %, from the prior year. Expenditures for governmental funds increased \$18.1 million, or 25.0%, from the prior year mainly due to increased capital outlay spending.

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

Overview of Financial Statements

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

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

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

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

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City consist of general government, public safety, public works, streets, parks and recreation, library and community and economic development. The business-type activities of the City include water, stormwater, wastewater, and cable television.

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

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

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

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

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Parks and Facilities Capital Improvement Fund, which are considered to be a major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combined statements in the Supplementary Information section of this report.

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

The governmental fund financial statements can be found on pages 34-40 of this report.

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

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

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

The proprietary fund financial statements can be found on pages 42-47 of this report.

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

The fiduciary fund financial statements can be found on pages 50-51 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 55 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 103-113 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 starting on page 118 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 \$293.6 million at the close of FY23.

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 157,144,568	\$ 88,685,755	\$ 92,198,769	\$ 89,014,367	\$ 249,343,337	\$ 177,700,122
Capital assets, net	104,369,144	82,484,186	107,742,119	102,590,132	212,111,263	185,074,318
Other noncurrent assets	3,363,030	3,177,900	-	-	3,363,030	3,177,900
Total assets	<u>264,876,742</u>	<u>174,347,841</u>	<u>199,940,888</u>	<u>191,604,499</u>	<u>464,817,630</u>	<u>365,952,340</u>
Deferred outflow of resources	<u>38,371,977</u>	<u>17,412,205</u>	<u>5,114,187</u>	<u>2,059,945</u>	<u>43,486,164</u>	<u>19,472,150</u>
Current liabilities	30,098,870	27,881,914	10,675,087	5,626,838	40,773,957	33,508,752
Noncurrent liabilities	110,419,487	68,415,889	59,610,465	53,766,588	170,029,952	122,182,477
Total liabilities	<u>140,518,357</u>	<u>96,297,803</u>	<u>70,285,552</u>	<u>59,393,426</u>	<u>210,803,909</u>	<u>155,691,229</u>
Deferred inflow of resources	<u>4,696,453</u>	<u>31,522,751</u>	<u>20,906</u>	<u>3,860,417</u>	<u>4,717,359</u>	<u>35,383,168</u>
Net Position						
Net investments in capital assets	102,207,599	80,545,096	65,375,009	58,458,807	167,582,608	139,003,903
Restricted	75,224,281	53,426,528	1,936,756	1,918,591	77,161,037	55,345,119
Unrestricted	(18,552,818)	(70,032,132)	67,436,852	70,033,202	48,884,034	1,070
Total net position	<u>\$ 158,879,062</u>	<u>\$ 63,939,492</u>	<u>\$ 134,748,617</u>	<u>\$ 130,410,600</u>	<u>\$ 293,627,679</u>	<u>\$ 194,350,092</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 (\$167.6 million) to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$77.1 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 \$48.9 million. This amount may be used at the City's discretion to meet ongoing obligations to citizens and creditors.

The City's overall net position increased by \$99.3 million, or 51.1%, from the prior fiscal year. Key elements of these changes are as follows:

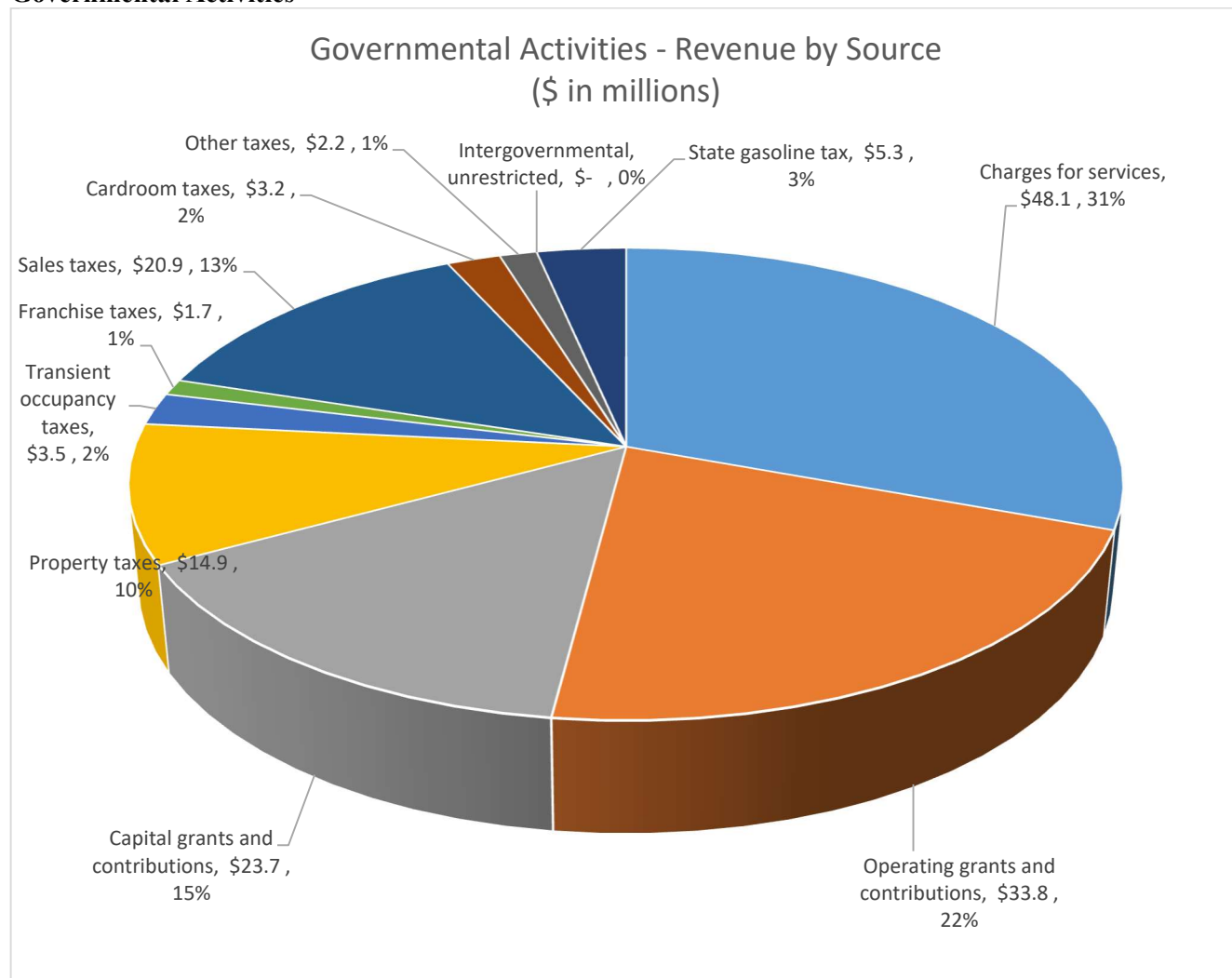
CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Statement of Activities

	Governmental activities		Business-type activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 48,086,500	\$ 14,177,297	\$ 45,693,566	\$ 45,772,880	\$ 93,780,066	\$ 59,950,177
Operating grants and contributions	33,764,892	5,881,477	-	-	33,764,892	5,881,477
Capital grants and contributions	23,660,274	10,342,801	-	-	23,660,274	10,342,801
General revenues:						
Property taxes	14,931,681	14,532,727	-	-	14,931,681	14,532,727
Transient occupancy taxes	3,459,947	2,408,999	-	-	3,459,947	2,408,999
Franchise taxes	1,705,417	1,624,176	-	-	1,705,417	1,624,176
Sales taxes	20,928,603	21,549,194	-	-	20,928,603	21,549,194
Cardroom taxes	3,181,236	2,220,592	-	-	3,181,236	2,220,592
Other taxes	2,219,479	2,277,785	-	-	2,219,479	2,277,785
Intergovernmental, unrestricted	-	7,646,019	-	-	-	7,646,019
State gasoline tax	5,314,866	-	-	-	5,314,866	-
Use of money and property	(541,036)	(6,715,096)	1,154,107	608,506	613,071	(6,106,590)
Total revenues	156,711,859	75,945,971	46,847,673	46,381,386	203,559,532	122,327,357
Expenses						
General government	12,014,857	6,413,721	-	-	12,014,857	6,413,721
Public safety	28,793,275	32,410,681	-	-	28,793,275	32,410,681
Public works	2,059,383	1,618,481	-	-	2,059,383	1,618,481
Streets	7,012,289	4,949,093	-	-	7,012,289	4,949,093
Parks and recreation	6,179,928	6,574,959	-	-	6,179,928	6,574,959
Library	2,287,233	2,156,600	-	-	2,287,233	2,156,600
Community and economic development	3,249,383	2,857,883	-	-	3,249,383	2,857,883
Interest expense	270,665	296,821	-	-	270,665	296,821
Water	-	-	16,179,423	11,643,075	16,179,423	11,643,075
Stormwater	-	-	2,042,242	1,641,787	2,042,242	1,641,787
Wastewater	-	-	15,117,460	12,989,348	15,117,460	12,989,348
CityNet	-	-	9,073,317	9,440,513	9,073,317	9,440,513
Parking	-	-	2,490	-	-	-
Total expenses	61,867,013	57,278,239	42,414,932	35,714,723	104,281,945	92,992,962
Increase (decrease) in net position before transfers	94,844,846	18,667,732	4,432,741	10,666,663	99,277,587	29,334,395
Transfers	94,724	600,381	(94,724)	(600,381)	-	-
Increase (decrease) in net position	94,939,570	19,268,113	4,338,017	10,066,282	99,277,587	29,334,395
Net position - beginning, as restated	63,939,492	44,671,379	130,410,600	120,344,318	194,350,092	165,015,697
Net position - ending	\$ 158,879,062	\$ 63,939,492	\$ 134,748,617	\$ 130,410,600	\$ 293,627,679	\$ 194,350,092

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Governmental Activities



Governmental activities increased the City's net position by \$94.9 million, with a total net position of \$158.9 million at the end of the fiscal year. Overall, revenues increased by \$80.8 million to \$156.8 million over the prior year. This change is driven primarily by the receipt of impact fees and development agreement revenues for a commercial campus expansion. Increases in transient occupancy tax, \$1.1 million above prior year, and cardroom taxes, \$1.0 million above prior year, each represented a substantial relative increase, 43.6% and 43.3% respectively. These modest increases offset flat years in property taxes and sales taxes, the two largest general revenue categories. Property taxes rose \$0.4 million, 2.7%, as compared to prior year, while sales taxes fell a modest \$0.6 million, 2.9%. Sales tax includes a now-mature addition from the passage of Measure G. Measure G was approved on November 3, 2019 and became effective on April 1, 2020. Sales tax revenue increased steadily mainly due to the business reopening over the pandemic, though the pandemic appears to be giving way to endemic status, moderating expectations for future growth. Operating grants and contributions increased \$27.9 million, 474%, substantially due to receipt of development agreement and impact fees.

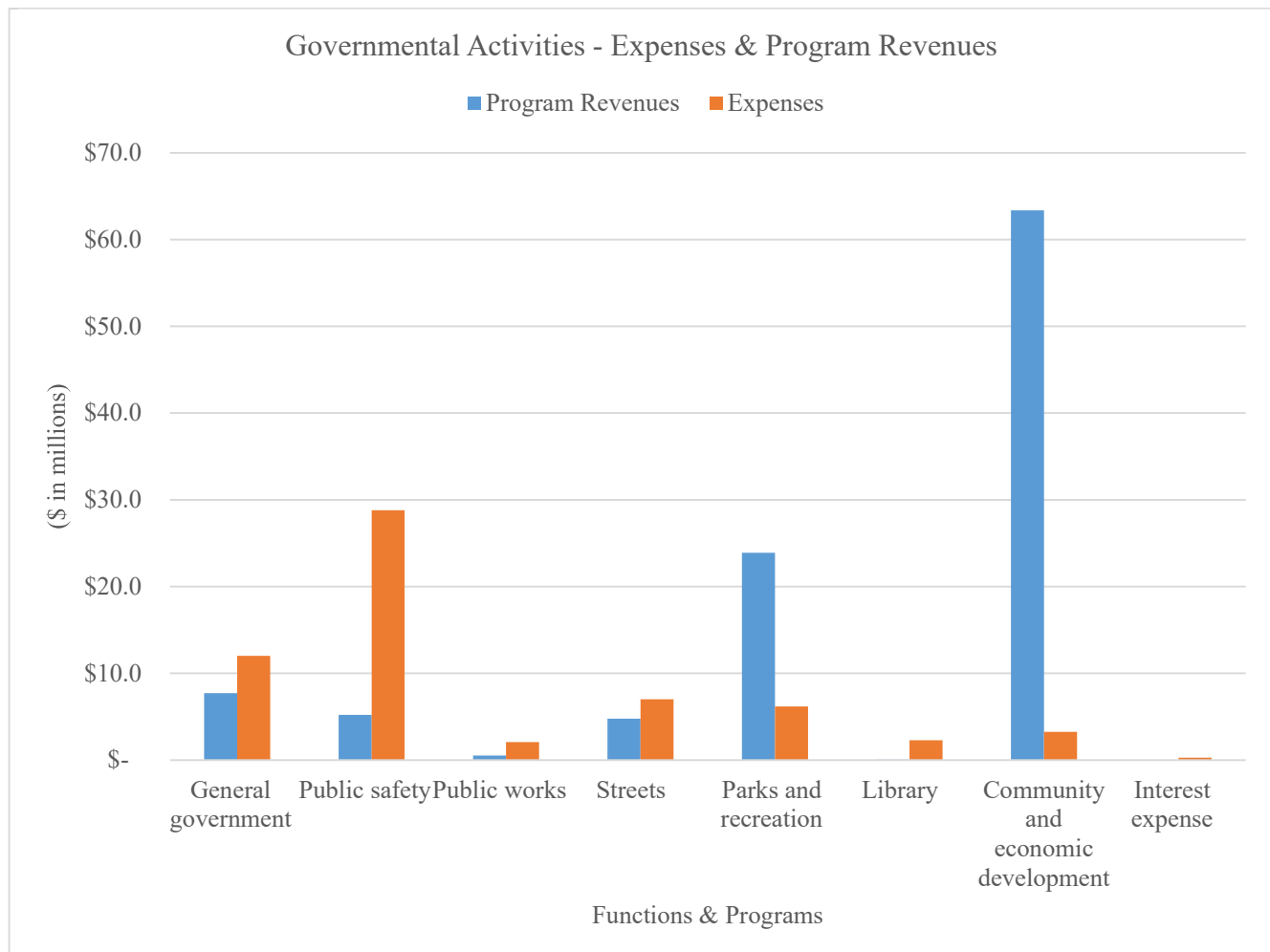
The cost of all governmental activities this year was \$61.9 million. As shown in the statement of activities, the amount that taxpayers paid for these activities with general revenues was \$105.5 million because some of the costs were paid by those specifically benefiting from the programs (\$48.1 million), and by other governments and organizations subsidizing programs with grants and contributions for operations and capital improvement (\$57.4 million).

**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

Governmental activities	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
	2023	2022	2023	2022	2023	2022
General government	\$ 7,715,775	\$ 5,533,802	\$ 12,014,857	\$ 6,413,721	\$ (4,299,082)	\$ (879,919)
Public safety	5,207,635	4,442,944	28,793,275	32,410,681	(23,585,640)	(27,967,737)
Public works	516,259	679,109	2,059,383	1,618,481	(1,543,124)	(939,372)
Streets	4,768,844	4,099,434	7,012,289	4,949,093	(2,243,445)	(849,659)
Parks and recreation	23,896,504	11,784,748	6,179,928	6,574,959	17,716,576	5,209,789
Library	45,785	44,394	2,287,233	2,156,600	(2,241,448)	(2,112,206)
Community and economic development	63,360,864	3,817,144	3,249,383	2,857,883	60,111,481	959,261
Interest expense	-	-	270,665	296,821	(270,665)	(296,821)
Total governmental activities	\$ 105,511,666	\$ 30,401,575	\$ 61,867,013	\$ 57,278,239	\$ 43,644,653	\$ (26,876,664)

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

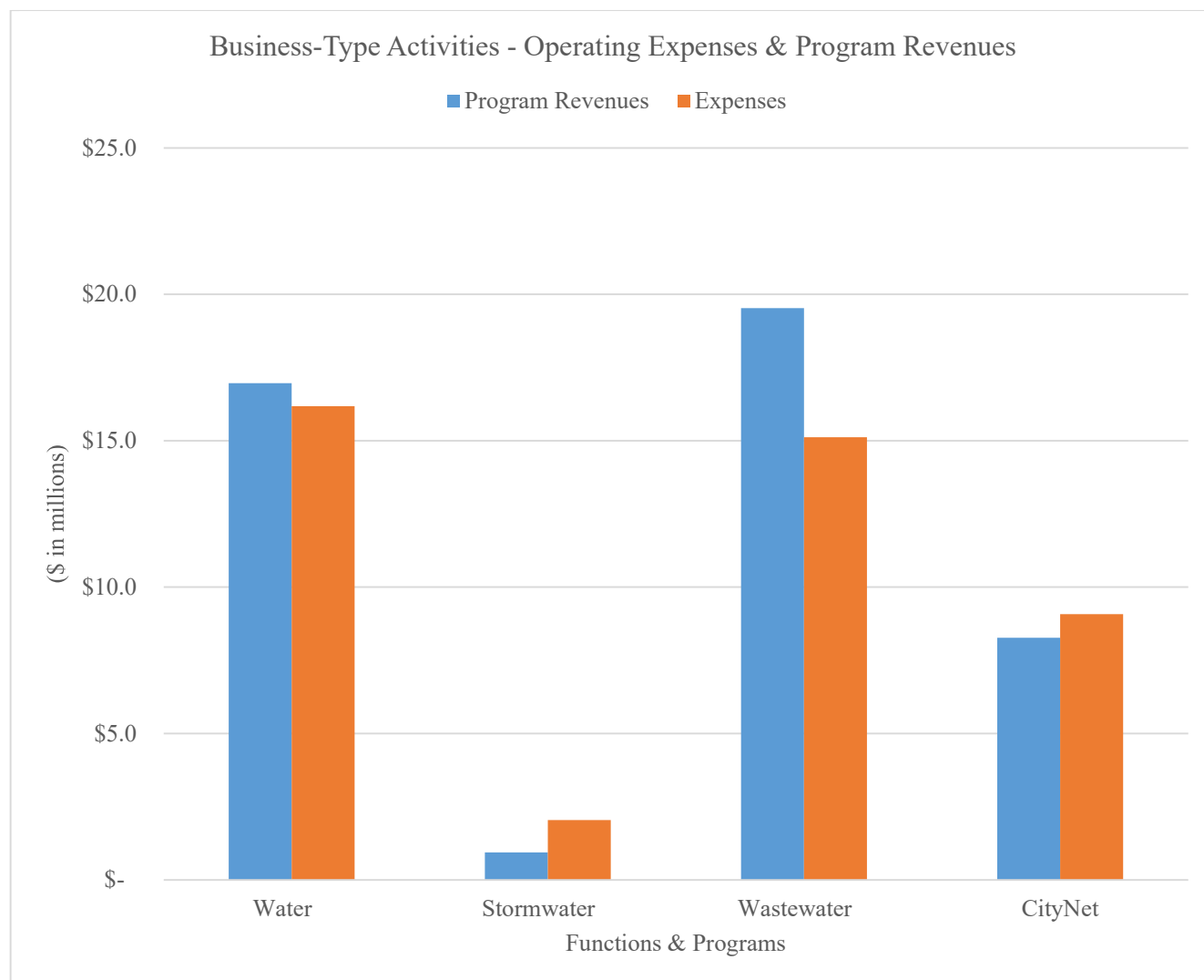


**CITY OF SAN BRUNO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$134.7 million. The total increase in net position for business-type activities was \$4.3 million. The Water and Wastewater Funds directly contributed to the growth. Charges for services of \$17.0 million and 19.5 million covered expenses of \$16.2 million and \$15.1 million, respectively. Stormwater charges for services of \$0.9 million continued to be insufficient to support expenses of \$2.0 million. CityNet charges for services of \$8.3 million also continued to be insufficient to support expenses of \$9.1 million. Total resources available during the year to finance business-type activities were \$46.9 million consisting of program revenues, investment income, and transfers in. Total business-type activities expenses during the year were \$42.5 million including operating expenses, debt service expenses, and transfers out.

Operating revenues and expenses are depicted graphically as follows:



CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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 Revenue (Expense) and Change in Net Position	
	2023	2022	2023	2022	2023	2022
Business-type activities						
Water	\$ 16,964,116	\$ 16,774,287	\$ 15,816,262	\$ 11,300,655	\$ 1,147,854	\$ 5,473,632
Stormwater	935,728	1,054,326	2,035,128	1,644,433	(1,099,400)	(590,107)
Wastewater	19,526,658	19,378,136	14,096,167	11,949,704	5,430,491	7,428,432
CityNet	8,267,064	8,566,131	9,061,916	9,426,126	(794,852)	(859,995)
Parking	-	-	2,490	-	(2,490)	-
Total business-type activities	\$ 45,693,566	\$ 45,772,880	\$ 41,011,963	\$ 34,320,918	\$ 4,681,603	\$ 11,451,962

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, 2023, governmental funds reported combined fund balances of \$130.5 million, an increase of \$67.1 million, 106%, over the prior year. Of this amount, \$16.7 million is non-spendable due to funds being advanced to CityNet services for the negative cash balance in the fund. The City is developing a plan to reduce the net operating loss through a combination of rate increases, marketing higher margin services such as internet, and continued diligence on cost containment. The remainder of the fund balance is either restricted, assigned, or unassigned to indicate that it is (1) restricted for particular purposes, \$75.2 million; or (2) assigned for particular purposes, \$40.6 million; or (3) unassigned and available at the City's discretion, \$(2.1) million.

Analysis of Major Funds

The General Fund is the main operating fund of the City. For financial statement presentation purposes, the General Fund includes the operating fund, reserve funds, Measure G fund, and American Rescue Plan Act fund. Revenues totaled \$69.7 million, which is an increase of \$6.3 million, 10.0%, from the prior year. This was due to moderate growth in taxes, licenses and permits, charges for services, and changes in fair market value of investments. Expenditures totaled \$59.0 million, which increased by \$5.6 million, 10.5%, from the prior year. The increase is mainly attributed to additional funding allocated to public safety, general public works and streets maintenance efforts.

The Parks and Facilities and Technologies Capital Improvement Capital Projects Fund provides for the improvement of the City's parks and facilities, for which revenues increased by \$12.7 million. The main reason for the increase in revenues was due to the receipt of community benefit funds from San Bruno Community Foundation in the amount of \$22.9 million. Expenditures also increased substantially, for a total increase in expenditures of \$24.0 million. The entire portion of the increase was related to capital outlay expenditures. Capital outlay expenditures were associated with the design and construction of the City's new Recreation and

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

Aquatics Center. The net change in fund balance for fiscal year was an increase of \$10.8 million, netting to an ending fund balance of \$10.6 million.

Newly designated a major fund in FY23, the Developer Agreement and Impact Fees Fund accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City. Revenues in FY23 totaled \$56.7 million, driven primarily by \$55.0 million received for a major development. Expenditures and transfers out were comparatively modest, \$2.1 million, resulting in a net change in fund balance for the fiscal year of \$54.5 million. This fund balance will be used in future years to enable projects which mitigate the effects of growth on the community.

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 rose by \$0.8 million to \$71.1 million, a significant drop from the previous year's \$5.5 million increase due to the suspension of rate adjustments for the Fund's operations and capital improvements. Although the City adopted a five-year rate plan with annual 5% increases in 2017, the City chose not to raise water rates in the final two years of the five-year plan due to the pandemic. The City resumed its past practice of annual rate increases to ensure the enterprise's fiscal solvency by adopting a five-year water rate plan, effective January 1, 2024.

Somewhat similarly, the Wastewater Fund's net position increased by \$5.6 million to \$77.4 million, level with the previous year's \$5.4 million increase, again due to suspended rate adjustments, resulting in nearly unchanged revenues and a \$2.1 million (16.4%) rise in expenses. Although the City adopted a five-year rate plan with annual 5% increases in 2017, the City chose not to raise wastewater rates in the final two years of the five-year plan due to the pandemic. The City resumed its past practice of annual rate increases to ensure the enterprises' fiscal solvency by adopting a five-year wastewater rate plan, effective July 1, 2023.

As of June 30, 2023, the CityNet Fund had a negative equity balance of \$21.5 million, comprised of negative cash and non-cash liabilities such as unfunded pension liabilities. The negative equity balance included \$16.0 million owed to the General Fund due to multi-year reliance on advances from the General Fund to sustain operating charges, including franchise fees, internal service allocations, and general overhead allocations. The Fund has been experiencing annual operating losses, including losses of \$794,852 in FY23 and \$859,995 in the prior year.

City staff are working to improve CityNet's revenue and subscription margins. One major step was increasing service rates between 9% and 12% effective August 1, 2023, which improved year-over-year operating income for the first six months of Fiscal Year 2023-24 (FY24). However, additional rate increases, potentially between 2% and 5%, are being considered to further financial stability. In FY24, City staff will evaluate whether rate increases are sufficient to begin repayment of the amounts owed to the General Fund. The CityNet Enterprise may no longer be a going concern if rate increases are insufficient to repay amounts owed to the General Fund. In December 2023, the City issued a Request for Interest to gauge the private-sector's appetite to acquire CityNet's customer base and infrastructure as part of a broader strategy to ensure continuity of services to the community.

The Stormwater Fund, as of June 30, 2023, also had a negative equity balance of \$2.2 million, comprised of negative cash and non-cash liabilities such as unfunded pension liabilities. The negative equity balance included \$0.6 million owed to the General Fund. The enterprise reported operational losses of \$1,099,400 in FY23, up from \$590,107 in the previous year. Like CityNet, Stormwater requires transfers from the General Fund to meet its operational and capital spending requirements. Starting in July 2023, the City began collecting \$798,993 annually from the garbage franchise to offset stormwater service costs, which are affected by the amount of garbage in

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

culverts and drains. This new revenue covers about 70% of the deficit, and efforts are ongoing to reduce the General Fund's support of the enterprise.

General Fund Budgetary Highlights

The budget comparison information presented on page 103, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund, reserve funds, Measure G fund, American Rescue Plan Act fund, and Developer Project Contributions fund.

Original Budget Compared to Final Budget:

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

Revenues	Orig Budget	Final Budget	Variance	Percent Change
Taxes	\$33,781,873	\$34,681,873	900,000	2.7%
License and permits	5,413,525	6,198,525	785,000	14.5%

Under the tax category, the City entered into a Municipal Services Agreement with Artichoke Joe's in July 2022 for Reimbursable Services from a Police Detective and payment of \$225,000 per quarter. As per the agreement, Artichoke Joe's will reimburse the City's cost for one full-time Police Detective. Licenses and permits were increased by \$0.8 million in anticipation of an increase in permit applications by the Building division.

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

Expenditures	Orig Budget	Final Budget	Variance	Percent Change
General government	8,239,531	\$9,949,247	1,709,716	20.8%
Community and economic development	3,025,117	4,963,187	1,938,070	64.1%
Capital outlay	581,100	1,635,036	1,053,936	181.4%

In the General government category, three major changes drove the increase in final budget as compared to the original budget, a City Attorney vacancy, increased support in the budget and purchasing functions to facilitate day-to-day operations, and increased appropriations to repair damaged areas of Diamond 3 to safeguard life and property. The City Attorney budget was increased by \$0.6 million, the finance functions increased appropriations by \$0.2 million, and \$0.3 million was allocated to the park repairs. In the Community and economic development category, the Building division expected an increase in permit applications and thus an increased need for off-site plan check services in the amount of \$0.8 million. Similarly, on-demand contract inspectors are needed to support larger development projects, resulting in a \$0.3 million increase. These services will be offset by an increase in revenue, as these services are fully cost recoverable. Within the Capital outlay category, purchase orders open at the end of the prior fiscal year resulted in an increase in budget to accommodate the encumbrances, which do not lapse at year-end for capital projects.

Final Budget Compared to Actual Results:

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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

Revenues	Final Budget	Actual Revenues	Variance	Percent Change
Taxes	\$ 34,681,873	\$ 44,206,883	9,525,010	27.5%
Intergovernmental	12,036,602	7,743,930	(4,292,672)	-35.7%
Charges for services	3,111,769	4,595,952	1,484,183	47.7%

The local economy keeps blooming after COVID-19, resulting in higher-than-expected tax collections. Tax revenues have experienced substantial growth in sales tax, property tax, and transient occupancy tax. The City's final budget for General Sales Tax is \$14.1 million, whereas the amount actually received is \$22.6 million. The City anticipated the rise in sales tax revenue and updated its year-end estimate to \$18 million, this update does not reflect in the final budget amount. In addition, a portion of property tax revenue has come to the city from the Educational Revenue Augmentation Fund (ERAF). The city received 50% of FY23 excess ERAF in January 2023 and 45% of FY23 excess ERAF and FY21 remaining ERAF in August 2023, totaling \$1.8 million. The FY23 budget did not account for the August remittance, so the ERAF revenue is \$0.97 million higher than the budget. The budget towards revenue remained conservative given the expectation that excess ERAF is not a consistent revenue source to fund ongoing operations in the long term. In the Intergovernmental category, the City budgeted \$5.1 million for ARPA fund revenue in FY23 and did receive the funds as expected. The actual revenue factored in the unspent portion of the fund and reclassified the unspent fund to unearned revenue. Thus, revenue is \$2.9 million lower than the budget. Additionally, a few non-basic aid school districts in San Mateo County turned basic aid this fiscal year. The reduction in the number of non-basic aid school district resulted in a higher vehicle license fee shortfall and less property tax revenue to fund the vehicle license fee revenue. Therefore, the actual VLF in-lieu is \$1.3 million lower than the final budget. Under charges for services, the Police department has been providing police patrol service to local shops and charges the users based on the fee outlined on the City's Master Fee Schedule for the actual hours worked. This increased charge for service revenue by \$0.6 million in FY23, which was not included in the final budget. Finally, in FY23, firefighters were deployed to assist in ongoing wildfire and storm-related responses in the state and get reimbursed afterward. Since disaster costs cannot be estimated, the reimbursement of \$0.4 million does not form part of the final budget.

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

Expenditures	Final Budget	Actual Expenditures	Variance	Percent Change
Public safety	33,138,199	34,306,350	(1,168,151)	-3.5%
Parks and recreation	6,613,374	5,443,772	1,169,602	17.7%
Community and economic development	4,963,187	3,198,317	1,764,870	35.6%

In the public safety category, the core factor driving the variance between final budget and actuals is overtime, which was budgeted below actuals by \$1.8 million, owing in part to the aforementioned wildfire and storm support. In Parks and recreation, the budget was developed with an aggressive opening plan for the RAC, which has yet to be completed and staffed, resulting in lower than expected expenditures through both salary savings, \$0.8 million, and contract services, \$0.3 million. Finally, within Community and economic development, the additional contract services anticipated for upcoming development have yet to materialize; this results in lower than budgeted actuals in FY23, but these expenditures are in reality more likely delayed to a future period in which the work has progressed to the point of requiring these services.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

Cash Management

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

Capital Assets

The capital assets of the City are those assets used in the performance of the City's functions including infrastructure assets. At June 30, 2023, net capital assets of the governmental activities totaled \$104.4 million. Depreciation on capital assets is recognized in the government-wide financial statements. During FY23, net capital assets for governmental activities increased by \$21.6 million due to increase in additions. For business-type activities, capital assets increased by \$5.2 million to \$107.7 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,649,235	\$ 4,649,235	\$ 576,842	\$ 576,842	\$ 5,226,077	\$ 5,226,077
Construction in Progress	42,476,208	20,773,221	18,172,180	9,726,495	60,648,388	30,499,716
Infrastructure	45,146,310	44,714,726			45,146,310	44,714,726
Sewer Plant	-	-	11,830,898	11,405,811	11,830,898	11,405,811
Buildings & Structures	6,290,414	6,646,409	71,696,433	74,712,724	77,986,847	81,359,133
Machinery & Equipment	5,155,799	5,700,595	5,465,766	6,168,260	10,621,565	11,868,855
Right to use-Software	651,178	-	-	-	651,178	-
Total	<u>\$ 104,369,144</u>	<u>\$ 82,484,186</u>	<u>\$ 107,742,119</u>	<u>\$ 102,590,132</u>	<u>\$ 212,111,263</u>	<u>\$ 185,074,318</u>

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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	
	2023	2022
Governmental Activities		
2018 Capital Lease Obligation	\$ -	\$ 339,090
2022 Capital Lease Obligation	1,462,844	1,600,000
2013 Pension Obligation Bond	4,191,928	5,142,410
Subscription-Based Information Technology Agreement (SBITA) Liability	698,701	280,502
Subtotal Government Activities Debt	6,353,473	7,362,002
Business-Type Activities		
Due to South San Francisco - 1997 Loan	-	574,610
Due to South San Francisco - 2007 Loan	1,724,756	1,724,756
2013 Wastewater Revenue Refunding Bond	4,493,753	4,846,630
2017 Wastewater Revenue Bond	24,563,347	25,135,881
2017 Water Revenue Bond	11,658,870	11,930,425
Subtotal Business-Type Activities Debt	42,440,726	44,212,302
Fiduciary Activities		
2019 Lease Revenue Bonds	3,784,376	4,186,798
Subtotal Fiduciary Activities	3,784,376	4,186,798
Total Long-Term Debt Obligations	\$ 52,578,575	\$ 55,761,102

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

Economic Factors Impacting City's Finances

The City Council and management considered the following economic factors in preparation of the fiscal year 2023-24 budget:

General Fund revenues

- Total General Fund revenues of \$57.1 million projected for FY24 are flat compared to the FY23 Amended Budget amounts.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

- Property Taxes – San Bruno only receives about 12 ½ cents from every property tax dollar paid in San Bruno. An additional 2 cents of property tax revenue have come to the City in recent years from the Educational Revenue Augmentation Fund, or ERAF, but this is not a consistent or reliable revenue source to fund on-going operations in the long term. The remainder of property taxes paid by property owners in the City goes to San Mateo County, school districts, and special districts. The housing industry and home sales boomed when more and more people worked from home because of pandemic induced changes in work-from-home patterns. Secured property tax revenue is expected to increase by a reduced amount, 2.9%, over the prior fiscal year budget in recognition of the recent economic factors which have reduced the slope of assessed valuations.
- Sales Tax of 9.875% is assessed on every taxable sale in San Bruno. Of the 9.875%, the City receives 1.5% or approximately 15% of the total tax. For FY24 total Sales Tax revenue is anticipated to increase in the face of improving economic conditions. The planned redevelopment of Tanforan Mall will cause reduced sales in the area beginning in FY25 or FY26 depending on redevelopment plans which include residential, retail, and life-sciences commercial uses. Of considerable concern for sales taxes is the City's exposure to California Department of Tax and Fee Administration's (CDTFA) challenge to a tax share agreement with Walmart.com. See Note 11.
- Transient Occupancy Tax (TOT) in the amount of 14% is collected on the cost of each room rental at each of the 12 lodging establishments in the City. Occupancy in hotels declined by more than 75% shortly after the coronavirus outbreak. The hospitality industry is on the mend, reaching a nearly-even level with the pre-pandemic levels in FY23. Staff is projecting continued modest recovery and an increase of 4.8% in TOT revenue in FY24.
- Business license tax is an annual tax based on prior year gross receipts. The pandemic devastated many sectors of San Bruno's business community and some businesses reported lower gross receipts for FY23. In the recent past, businesses faced strong headwinds with escalating inflation, disrupted supply chains and tight labor markets. However, as inflation begins to ease, this category is expected to rebound and staff therefore increased business license expectations to exceed pre-pandemic levels.
- Departmental Revenue – Total departmental revenues are projected to increase by 17.5% from the FY23 final budget. This is driven in part by phasing in of fees over four years following the 2021 User Fee Study and by the planned opening of the Recreation and Aquatics Center and commensurate increase in Recreation Services.

General Fund expenditures

Personnel costs represent the largest share General Fund expenditures, totaling \$47.3 million or 66% of total expenditures as follows:

- Regular and Part-Time Salaries – Salaries for all full time and part time staff is the single largest category of expenditures in the operating budget at approximately 45% of total General Fund expenditures. The total budget for salaries across all General Fund departments is \$30 Million.
- CalPERS Retirement - Employee retirement benefits total \$11.5 million, or 18% of the General Fund expenditures. The City continues to experience significant impacts from increasing costs for retirement benefits through the CalPERS system. The only revenues available to the CalPERS system to fund employee pension costs comes from three sources: PERS investment earnings, employee contributions and employer contributions. As a result, the reduction of available revenue in the investment earnings category must be made up from increases to employer contributions.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

- Employee Insurance Premiums - Employee insurance benefits (medical, life and long-term disability) are provided through the Teamster's Health and Welfare Trust and amount to \$5.8 Million in FY24. The Trust notifies the City of the projected premium increase at the end of each calendar year.

Enterprise Funds

- The City completed a comprehensive review of operating and capital needs in the Water and Wastewater Enterprises and established a new multi-year utility rate schedule in April 2017. The rate analysis included careful evaluation of all operational costs and the planned schedule and costs for delivery of capital improvement projects necessary to replace and rehabilitate the City's aging water and wastewater system infrastructure. The multi-year Water and Wastewater rate program adopted by the City Council in May 2017 provided for an annual 5% rate increase through FY22. To lessen the financial burden on residents in the era of COVID-19, the City Council decided not to increase water and wastewater rate in FY22 or FY23.

The Stormwater Enterprise is responsible for maintaining the stormwater conveyance system as well as adhering to the requirements outlined in the National Pollutant Discharge Elimination System (NPDES). Stormwater fees are collected through the County property tax, and a minimum of \$46.16 per assessor parcel number (APN) is assessed for most properties in San Bruno. These fees have been in place since 1994 and are inadequate to fund ongoing operations and necessary equipment and capital investments to meet federal requirements. The City held a mail ballot property-owner election to increase Storm Drainage and Flood Protection Fee on June 15, 2021, which was rejected by voters overwhelmingly. The City negotiated an agreement with the solid waste franchise to contribute \$798,993 annually for street sweeping to protect the stormwater infrastructure and discharge from debris. The City continues to explore opportunities in FY24 that will shore up the Stormwater Fund in the absence of a dedicated revenue source.

CityNet Fund – CityNet has continued making improvements in FY23 to control expenses and focus on higher margin business. In the long-range financial forecast, the negative fund balance is expected to grow to at least \$20.0 million in F24 and is not likely to decrease in the years after without substantial rate increases. With the adoption and implementation of the 2019 business plan which focuses on internet services versus television services, accompanied by a new rate structure and continuously implemented vendor cost controls, progress has been made annually in reducing the net operating loss since 2018. As long as the enterprise remains in a financial deficit position, the impact falls on the City's General Fund to backfill the CityNet Fund shortfall.

Capital Improvement Program and Debt Service

The FY2023-28 Capital Improvement Program identifies 95 funded and partially funded projects/programs organized into 8 categories. \$243.9 million in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure. \$172.2 million of this amount is the expected cost of scheduled improvements to the City's water and sewer systems.

A total of \$6.2 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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of San Bruno
Statement of Net Position
June 30, 2023 (with comparative totals for June 30, 2022)

	Governmental Activities	Business-type Activities	Totals	
			2023	2022
ASSETS				
Current assets:				
Cash and investments	\$ 132,202,439	\$ 99,266,462	\$ 231,468,901	\$ 157,370,778
Cash and investments with fiscal agent	141,828	1,936,756	2,078,584	2,060,402
Receivables:				
Taxes	7,141,333	-	7,141,333	5,443,645
Accounts	70,206	5,979,473	6,049,679	5,886,896
Interest	647,297	-	647,297	76,483
Loans	1,089,120	-	1,089,120	749,809
Other	1,713,576	-	1,713,576	6,064,569
Prepaid costs	-	-	-	47,540
Internal balances	14,983,922	(14,983,922)	-	-
Total current assets	157,989,721	92,198,769	250,188,490	177,700,122
Noncurrent assets:				
Other assets	3,363,030	-	3,363,030	3,177,900
Capital assets:				
Nondepreciable	47,125,443	18,749,022	65,874,465	35,725,793
Depreciable	141,237,515	173,041,849	314,279,364	308,367,539
Less accumulated depreciation	(83,993,814)	(84,048,752)	(168,042,566)	(159,019,014)
Total capital assets	104,369,144	107,742,119	212,111,263	185,074,318
Total noncurrent assets	107,732,174	107,742,119	215,474,293	188,252,218
Total assets	265,721,895	199,940,888	465,662,783	365,952,340
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	73,616	73,616	80,977
Deferred pension related items	38,371,977	5,040,571	43,412,548	19,391,173
Total deferred outflows of resources	38,371,977	5,114,187	43,486,164	19,472,150
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	12,649,002	7,191,354	19,840,356	13,791,592
Interest payable	39,452	831,751	871,203	872,198
Deposits payable	4,558,979	-	4,558,979	5,563,455
Unearned revenue	8,652,144	641,076	9,293,220	7,184,778
Other liabilities	1,102,681	-	1,102,681	440,500
Compensated absences - current	558,993	79,818	638,811	625,021
Claims and judgements - current	1,118,000	-	1,118,000	1,545,000
Long-term debt - current portion	1,419,619	1,931,088	3,350,707	3,486,208
Total current liabilities	30,098,870	10,675,087	40,773,957	33,508,752
Noncurrent liabilities:				
Compensated absences	2,236,754	557,532	2,794,286	2,680,289
Claims and judgements	3,905,000	-	3,905,000	3,483,000
Net pension liability	99,343,879	18,543,295	117,887,174	68,211,595
Long-term debt	4,933,854	40,509,638	45,443,492	47,807,594
Total noncurrent liabilities	110,419,487	59,610,465	170,029,952	122,182,478
Total liabilities	140,518,357	70,285,552	210,803,909	155,691,230
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	4,696,453	20,906	4,717,359	35,383,168
Total deferred inflows of resources	4,696,453	20,906	4,717,359	35,383,168
NET POSITION				
Net investment in capital assets	102,207,599	65,375,009	167,582,608	139,003,903
Restricted for:				
Capital projects	33,859,768	1,936,756	35,796,524	44,169,234
Debt service	-	-	-	196
Measure A	1,813,989	-	1,813,989	904,475
Community services	39,550,524	-	39,550,524	10,271,214
Total restricted	75,224,281	1,936,756	77,161,037	55,345,119
Unrestricted	(18,552,818)	67,436,852	48,884,034	1,070
Total net position	\$ 158,879,062	\$ 134,748,617	\$ 293,627,679	\$ 194,350,092

See accompanying Notes to Basic Financial Statements.

City of San Bruno

Statement of Activities

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 12,014,857	\$ 5,262,092	\$ 2,453,683	\$ -	\$ 7,715,775
Public safety	28,793,275	3,924,353	1,283,282	-	5,207,635
Public works	2,059,383	342,698	173,561	-	516,259
Streets	7,012,289	18,700	4,007,923	742,221	4,768,844
Parks and recreation	6,179,928	370,336	608,115	22,918,053	23,896,504
Library	2,287,233	8,444	37,341	-	45,785
Community and economic development	3,249,383	38,159,877	25,200,987	-	63,360,864
Interest expense	270,665	-	-	-	-
Total governmental activities	61,867,013	48,086,500	33,764,892	23,660,274	105,511,666
Business-type Activities:					
Water	16,179,423	16,964,116	-	-	16,964,116
Stormwater	2,042,242	935,728	-	-	935,728
Wastewater	15,117,460	19,526,658	-	-	19,526,658
Cable television	9,073,317	8,267,064	-	-	8,267,064
Parking	2,490	-	-	-	-
Total business-type activities	42,414,932	45,693,566	-	-	45,693,566
Total primary government	\$ 104,281,945	\$ 93,780,066	\$ 33,764,892	\$ 23,660,274	\$ 151,205,232

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy tax

Franchise tax

Sales tax, including subvention

Cardroom taxes

Other taxes

Total taxes

Intergovernmental, unrestricted

State motor vehicle in-lieu tax, including subvention

Use of money and property

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2023	2022
\$ (4,299,082)	\$ -	\$ (4,299,082)	\$ (879,919)
(23,585,640)	-	(23,585,640)	(27,967,737)
(1,543,124)	-	(1,543,124)	(939,372)
(2,243,445)	-	(2,243,445)	(849,659)
17,716,576	-	17,716,576	5,209,789
(2,241,448)	-	(2,241,448)	(2,112,206)
60,111,481	-	60,111,481	959,261
(270,665)	-	(270,665)	(296,821)
43,644,653	-	43,644,653	(26,876,664)
-	784,693	784,693	5,131,212
-	(1,106,514)	(1,106,514)	(587,461)
-	4,409,198	4,409,198	6,388,788
-	(806,253)	(806,253)	(874,382)
-	(2,490)	(2,490)	(874,381)
-	3,278,634	3,278,634	9,183,776
43,644,653	3,278,634	46,923,287	(17,692,888)
14,931,681	-	14,931,681	14,532,727
3,459,947	-	3,459,947	2,408,999
1,705,417	-	1,705,417	1,624,176
20,928,603	-	20,928,603	21,549,194
3,181,236	-	3,181,236	2,220,592
2,219,479	-	2,219,479	2,277,785
46,426,363	-	46,426,363	44,613,473
5,314,866	-	5,314,866	7,646,019
(541,036)	1,154,107	613,071	(6,106,590)
94,724	(94,724)	-	-
51,294,917	1,059,383	52,354,300	46,152,902
94,939,570	4,338,017	99,277,587	28,460,014
63,939,492	130,410,600	194,350,092	165,015,697
\$ 158,879,062	\$ 134,748,617	\$ 293,627,679	\$ 193,475,711

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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MAJOR GOVERNMENTAL FUNDS

General Fund

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

Developer Agreements and Impact Fees Fund

Accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City.

Parks and Facilities and Technology Capital Improvement Fund

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

City of San Bruno

Balance Sheet

Governmental Funds

June 30, 2023 (with comparative totals for June 30, 2022)

	Capital Projects Fund			
	General Fund	Developer Agreements and Impact Fees	Parks and Facilities and Technology Capital Improvement	Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 25,224,890	\$ 57,295,747	\$ 19,890,448	\$ 27,047,092
Cash and investments with fiscal agent	50,496	-	-	213
Receivables:				
Taxes	6,745,058	-	-	396,275
Accounts	69,757	-	-	-
Interest	647,297	-	-	-
Loans	1,089,120	-	-	-
Other	1,493,976	-	111,287	108,313
Due from other funds	1,450,548	-	-	-
Advances to other funds	16,679,225	-	-	-
Other assets	-	-	-	3,363,030
Total assets	\$ 53,450,367	\$ 57,295,747	\$ 20,001,735	\$ 30,914,923
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	5,517,269	10,242	5,555,284	1,156,152
Due to other funds	-	-	-	1,450,548
Deposits payable	1,966,495	2,592,484	-	-
Unearned revenue	4,836,826	-	3,815,318	-
Other liabilities	1,102,681	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	13,423,271	2,602,726	9,370,602	2,624,116
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	3,177,900
Total deferred inflows of resources	-	-	-	3,177,900
Fund Balances:				
Nonspendable	16,679,225	-	-	-
Restricted	-	29,979,441	18,645,987	26,598,853
Assigned	15,910,896	24,713,580	-	-
Unassigned	7,436,975	-	(8,014,854)	(1,485,946)
Total fund balances	40,027,096	54,693,021	10,631,133	25,112,907
Total liabilities, deferred inflows of resources and fund balances	\$ 53,450,367	\$ 57,295,747	\$ 20,001,735	\$ 30,914,923

Totals	
2023	2022
\$ 129,458,177	\$ 59,821,221
50,709	50,692
7,141,333	5,443,645
69,757	-
647,297	76,483
1,089,120	749,809
1,713,576	6,064,569
1,450,548	-
16,679,225	15,316,895
3,363,030	3,177,900
<u>\$ 161,662,772</u>	<u>\$ 90,701,214</u>
12,238,947	11,425,270
1,450,548	-
4,558,979	5,563,455
8,652,144	6,507,231
1,102,681	440,500
-	98,449
<u>28,020,715</u>	<u>24,034,905</u>
3,177,900	3,261,134
<u>3,177,900</u>	<u>3,261,134</u>
16,679,225	15,316,895
75,224,281	53,426,528
40,624,476	26,045,126
(2,063,825)	(31,383,374)
<u>130,464,157</u>	<u>63,405,175</u>
<u>\$ 161,662,772</u>	<u>\$ 90,701,214</u>

City of San Bruno
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 130,464,157

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

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

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 47,125,443	\$ -	47,125,443
Depreciable, net	57,243,701	(112,225)	57,131,476
Total capital assets	\$ 104,369,144	\$ (112,225)	104,256,919

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

Net amount of internal service funds allocated to business-type activities (2,612,282)
(1,695,303)

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

3,177,900

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

	Government-Wide Statement of Net Position	Internal Service Funds	
Deferred outflows of resources related to pension	38,371,977	-	38,371,977
Deferred inflows of resources related to pension	(4,696,453)	-	(4,696,453)

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

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (558,993)	\$ 26,401	\$ (532,592)
Additional interest payable	(22,036)	-	(22,036)
Long-term debt - due within one year	(1,419,619)	-	(1,419,619)
Claims and judgements - due within one year	(1,118,000)	1,118,000	-
Compensated absences - due in more than one year	(2,236,754)	100,881	(2,135,873)
Long-term debt - due in more than one year	(4,933,854)	-	(4,933,854)
Claims and judgements - due in more than one year	(3,905,000)	3,905,000	-
Net pension liability	(99,343,879)	-	(99,343,879)
Total long-term liabilities	\$ (113,538,135)	\$ 5,150,282	(108,387,853)

Net Position of Governmental Activities \$ 158,879,062

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City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

			Capital Projects Fund	
	General Fund	Developer Agreements and Impact Fees	Parks and Facilities and Technology Capital Improvement	Nonmajor Governmental Funds
REVENUES:				
Taxes	\$ 44,206,883	\$ -	\$ -	\$ 1,805,800
Licenses and permits	7,237,718	31,619,276	-	1,208,562
Intergovernmental	7,743,930	-	-	3,348,743
Charges for services	4,595,952	-	-	40,843
Fines and forfeitures	626,532	-	-	451,793
Use of money and property	(584,768)	584,040	-	329,972
Other revenues	5,864,628	24,454,581	22,918,053	342,555
Total revenues	69,690,875	56,657,897	22,918,053	7,528,268
EXPENDITURES:				
Current:				
General government	8,630,693	77,551	-	1,757,639
Public safety	34,306,350	-	-	313,482
Public works	2,053,186	-	-	-
Streets	2,055,155	-	-	72,277
Parks and recreation	5,443,772	-	-	300,569
Library	2,218,207	-	-	32,020
Community and economic development	3,198,317	-	-	52,911
Capital outlay	1,112,575	-	23,999,135	3,160,857
Debt service:				
Principal	-	-	-	1,446,246
Interest and fiscal charges	-	-	-	290,595
Total expenditures	59,018,255	77,551	23,999,135	7,426,596
REVENUES OVER (UNDER)				
EXPENDITURES	10,672,620	56,580,346	(1,081,082)	101,672
OTHER FINANCING SOURCES (USES):				
Transfers in	2,928,207	-	13,682,331	14,069,206
Transfers out	(20,860,702)	(2,042,765)	(1,799,938)	(5,881,615)
Proceeds from long-term debt	690,702	-	-	-
Total other financing sources (uses)	(17,241,793)	(2,042,765)	11,882,393	8,187,591
Net change in fund balances	(6,569,173)	54,537,581	10,801,311	8,289,263
FUND BALANCES:				
Beginning of year	46,596,269	155,440	(170,178)	16,823,644
End of year	\$ 40,027,096	\$ 54,693,021	\$ 10,631,133	\$ 25,112,907

Totals			
	2023		2022
\$	46,012,683	\$	44,256,905
	40,065,556		6,093,601
	11,092,673		13,464,391
	4,636,795		3,997,199
	1,078,325		783,915
	329,244		(6,658,443)
	53,579,817		14,008,403
	156,795,093		75,945,971
	10,465,883		8,020,370
	34,619,832		30,693,706
	2,053,186		1,551,310
	2,127,432		1,870,115
	5,744,341		5,164,289
	2,250,227		2,094,036
	3,251,228		2,838,991
	28,272,567		18,577,288
	1,446,246		1,357,151
	290,595		277,303
	90,521,537		72,444,559
	66,273,556		3,501,412
	30,679,744		12,083,255
	(30,585,020)		(11,926,313)
	690,702		1,600,000
	785,426		1,756,942
	67,058,982		5,258,354
	63,405,175		58,146,821
\$	130,464,157	\$	63,405,175

City of San Bruno

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	67,058,982
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Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	25,503,900
--	------------

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(4,010,342)
--	-------------

Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(2,606)
--	---------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Long-term debt repayments	1,718,749
Issuance of long-term debt	(690,702)
Change in interest payable	19,930
Amortization of bonds premium (discount), net	(19,518)

Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	10,838,979
--	------------

Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(5,336,250)
--	-------------

Unavailable revenues removed in the fund financial statements resulting from activities in which revenues were earned in the governmental funds but were already recognized as revenues in the Government-Wide Financial Statements in a prior year	(83,234)
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Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue (expense) of the internal service funds was reported with governmental activities.	(58,318)
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Change in Net Position of Governmental Activities	\$	94,939,570
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PROPRIETARY FUNDS

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

The City has identified the funds below as major proprietary funds.

Water Fund

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

Stormwater Fund

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

Wastewater Fund

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

CityNet Fund

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

City of San Bruno
Statement of Net Position
Proprietary Funds
June 30, 2023 (with comparative totals for June 30, 2022)

Business Type Activities - Enterprise Funds				
	Water	Stormwater	Wastewater	CityNet
ASSETS				
Current Assets:				
Cash and investments	\$ 49,918,367	\$ -	\$ 49,348,095	\$ -
Cash and investments with fiscal agent	461,826	-	1,474,930	-
Receivables:				
Taxes	-	-	-	-
Accounts	2,862,841	6,600	2,405,704	704,328
Prepaid items	-	-	-	-
Total current assets	53,243,034	6,600	53,228,729	704,328
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	8,023,714	2,444,569	7,780,739	500,000
Depreciable capital assets	55,606,666	5,915,206	89,079,839	22,440,138
Accumulated depreciation	(24,536,313)	(1,747,296)	(36,484,975)	(21,280,168)
Net capital assets	39,094,067	6,612,479	60,375,603	1,659,970
Total noncurrent assets	39,094,067	6,612,479	60,375,603	1,659,970
Total assets	92,337,101	6,619,079	113,604,332	2,364,298
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on pensions	1,610,246	217,568	1,450,957	1,761,800
Deferred amount on refunding	-	-	73,616	-
Total deferred outflows of resources	1,610,246	217,568	1,524,573	1,761,800
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	4,889,044	914,887	877,737	507,196
Interest payable	220,599	-	611,152	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	641,076
Other liabilities	-	-	-	-
Compensated absences - current	19,092	7,892	16,716	36,118
Claims and judgements - current	-	-	-	-
Long-term debt - current portion	240,000	-	1,691,088	-
Total current liabilities	5,368,735	922,779	3,196,693	1,184,390
Noncurrent liabilities:				
Advances from other funds	-	642,426	-	16,036,799
Compensated absences	159,544	43,943	117,150	236,895
Claims payable	-	-	-	-
Net pension liability	5,923,787	800,389	5,337,793	6,481,326
Long-term debt	11,418,870	-	29,090,768	-
Total noncurrent liabilities	17,502,201	1,486,758	34,545,711	22,755,020
Total liabilities	22,870,936	2,409,537	37,742,404	23,939,410
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on pensions	6,679	902	6,018	7,307
Total deferred inflows of resources	6,679	902	6,018	7,307
NET POSITION				
Net investment in capital assets	27,435,197	6,612,479	29,667,363	1,659,970
Restricted	461,826	-	1,474,930	-
Unrestricted	43,172,709	(2,186,271)	46,238,190	(21,480,589)
Total net position	\$ 71,069,732	\$ 4,426,208	\$ 77,380,483	\$ (19,820,619)
Reconciliation to the government-wide statement of net position:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 926,723	\$ 79,899	\$ (61,923)	\$ 750,604
Net position of business-type activities	\$ 71,996,455	\$ 4,506,107	\$ 77,318,560	\$ (19,070,015)

Parking (Non-major fund)	Business-Type Activities -		Governmental Activities -	
	Enterprise Funds		Internal Service Funds	
	Totals		Totals	
	2023	2022	2023	2022
\$ -	\$ 99,266,462	\$ 94,768,040	\$ 2,744,262	\$ 2,781,517
-	1,936,756	1,918,591	91,119	91,119
-	-	-	-	-
-	5,979,473	5,886,896	449	-
-	-	47,540	-	-
-	107,182,691	102,621,067	2,835,830	2,872,636
-	18,749,022	10,303,337	-	-
-	173,041,849	171,282,140	171,319	52,493
-	(84,048,752)	(78,995,345)	(59,094)	(51,166)
-	107,742,119	102,590,132	112,225	1,327
-	107,742,119	102,590,132	112,225	1,327
-	214,924,810	205,211,199	2,948,055	2,873,963
-	5,040,571	1,978,968	-	-
-	73,616	80,977	-	-
-	5,114,187	2,059,945	-	-
2,490	7,191,354	1,976,590	410,055	389,732
-	831,751	830,232	-	-
-	-	-	-	-
-	641,076	677,547	-	-
-	-	-	-	-
-	79,818	102,507	26,401	23,936
-	-	-	1,118,000	1,545,000
-	1,931,088	2,039,962	-	-
2,490	10,675,087	5,626,838	1,554,456	1,958,668
-	16,679,225	15,218,446	-	-
-	557,532	443,192	100,881	69,816
-	-	-	3,905,000	3,483,000
-	18,543,295	11,151,057	-	-
-	40,509,638	42,172,340	-	-
-	76,289,690	68,985,035	4,005,881	3,552,816
2,490	86,964,777	74,611,873	5,560,337	5,511,484
-	20,906	3,860,417	-	-
-	20,906	3,860,417	-	-
-	65,375,009	58,458,807	112,225	1,327
-	1,936,756	1,918,591	-	-
(2,490)	65,741,549	68,421,456	(2,724,507)	(2,638,848)
\$ (2,490)	\$ 133,053,314	\$ 128,798,854	\$ (2,612,282)	\$ (2,637,521)
\$ -	\$ 1,695,303	\$ 1,611,746		
\$ (2,490)	\$ 134,748,617	\$ 130,410,600		

City of San Bruno

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Business Type Activities - Enterprise Funds			
	Water	Stormwater	Wastewater	CityNet
OPERATING REVENUES:				
Charges for services:				
Water sales	\$ 16,238,503	\$ -	\$ -	\$ -
Sewer service charges	-	-	18,577,763	-
Cable television charges	-	-	-	8,253,573
Other service charges	725,613	562,632	775,802	13,491
Other operating revenue	-	373,096	173,093	-
Total operating revenues	16,964,116	935,728	19,526,658	8,267,064
OPERATING EXPENSES:				
Water supply	13,874,541	-	-	-
Distribution	110,073	1,798,081	-	-
Treatment	-	-	11,340,620	-
Cable operations	-	-	-	8,832,751
Central garage	-	-	-	-
Insurance expenses	-	-	-	-
Technology support	-	-	-	-
Facilities maintenance	-	-	-	-
Depreciation and amortization	1,831,648	237,047	2,755,547	229,165
Total operating expenses	15,816,262	2,035,128	14,096,167	9,061,916
Operating income (loss)	1,147,854	(1,099,400)	5,430,491	(794,852)
NONOPERATING REVENUES (EXPENSES):				
Investment income	576,326	704	577,077	-
Interest and debt service expenses	(405,472)	-	(1,080,645)	(409)
Total nonoperating revenues (expenses)	170,854	704	(503,568)	(409)
Income before contributions and transfers	1,318,708	(1,098,696)	4,926,923	(795,261)
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	457,100	110,000	1,207,882	95,399
Transfers out	(940,000)	-	(580,000)	(445,105)
Total contributions and transfers	(482,900)	110,000	627,882	(349,706)
Change in net position	835,808	(988,696)	5,554,805	(1,144,967)
NET POSITION:				
Beginning of year	70,233,924	5,414,904	71,825,678	(18,675,652)
End of year	\$ 71,069,732	\$ 4,426,208	\$ 77,380,483	\$ (19,820,619)
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 42,311	\$ (7,114)	\$ 59,352	\$ (10,992)
Change in net position of business-type activities - End of year	\$ 878,119	\$ (995,810)	\$ 5,614,157	\$ (1,155,959)

See accompanying Notes to Basic Financial Statements.

Parking (Non-major fund)	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
	Totals		Totals	
	2023	2022	2023	2022
\$ -	\$ 16,238,503	\$ 16,581,226	\$ -	\$ -
-	18,577,763	19,262,372	-	-
-	8,253,573	8,549,101	-	-
-	2,077,538	881,642	7,300,833	6,497,974
-	546,189	498,539	649	-
-	45,693,566	45,772,880	7,301,482	6,497,974
-	13,874,541	9,486,358	-	-
-	1,908,154	1,420,201	-	-
-	11,340,620	9,111,455	-	-
-	8,832,751	9,150,862	-	-
-	-	-	971,084	744,855
-	-	-	3,059,462	2,438,620
-	-	-	1,315,296	1,268,418
2,490	2,490	-	1,922,473	1,917,707
-	5,053,407	5,152,042	7,928	3,978
2,490	41,011,963	34,320,918	7,276,243	6,373,578
(2,490)	4,681,603	11,451,962	25,239	124,396
-	1,154,107	608,506	-	-
-	(1,486,526)	(1,560,717)	-	-
-	(332,419)	(952,211)	-	-
(2,490)	4,349,184	10,499,751	25,239	124,396
-	1,870,381	1,250,000	-	443,439
-	(1,965,105)	(1,850,381)	-	-
-	(94,724)	(600,381)	-	443,439
(2,490)	4,254,460	9,899,370	25,239	567,835
-	128,798,854	118,899,484	(2,637,521)	(3,205,356)
\$ (2,490)	\$ 133,053,314	\$ 128,798,854	\$ (2,612,282)	\$ (2,637,521)

\$ -	\$ 83,557	\$ (13,465)
\$ (2,490)	\$ 4,338,017	\$ 9,740,351

City of San Bruno
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Business Type Activities - Enterprise Funds			
	Water	Stormwater	Wastewater	CityNet
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -
Cash receipts from customers	16,824,167	1,126,053	19,244,288	8,417,550
Cash payments to suppliers for goods and services	(10,099,730)	(1,043,924)	(10,581,020)	(9,019,118)
Cash (payments) receipts to employees for services	210,936	21,874	174,386	182,940
Cash reimbursements for loss claims	-	-	-	-
Net cash provided by (used in) operating activities	6,935,373	104,003	8,837,654	(418,628)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Loans from other funds	-	642,426	-	974,024
Loans repayments to other funds	-	-	-	(155,671)
Transfers received from other funds	457,100	110,000	1,207,882	95,399
Transfers paid to other funds	(940,000)	-	(580,000)	(445,105)
Net cash provided by (used in) noncapital financing activities	(482,900)	752,426	627,882	468,647
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(4,260,743)	(1,531,426)	(4,363,615)	(49,610)
Principal payments on long-term debt	(271,555)	-	(1,500,021)	-
Interest paid on long-term debt	(411,298)	-	(1,073,300)	(409)
Net cash provided by (used in) capital and related financing activities	(4,943,596)	(1,531,426)	(6,936,936)	(50,019)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (expense)	576,326	704	577,077	-
Net cash provided by (used in) investing activities	576,326	704	577,077	-
Net cash flows	2,085,203	(674,293)	3,105,677	-
CASH AND INVESTMENTS - Beginning of year	48,294,990	674,293	47,717,348	-
CASH AND INVESTMENTS - End of year	\$ 50,380,193	\$ -	\$ 50,823,025	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,147,854	\$ (1,099,400)	\$ 5,430,491	\$ (794,852)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,831,648	237,047	2,755,547	229,165
(Increase) decrease in current assets:				
Taxes receivable	-	-	-	-
Accounts receivable	(187,489)	190,325	(282,370)	186,957
Other receivable	-	-	-	-
Prepaid items	47,540	-	-	-
(Increase) decrease in deferred outflows of resources	(978,051)	(132,149)	(873,939)	(1,070,103)
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	3,884,884	754,157	759,600	(186,367)
Unearned revenue	-	-	-	(36,471)
Compensated absences	54,043	676	25,652	11,280
Net pension liability	2,361,503	319,073	2,127,898	2,583,764
Claims liability	-	-	-	-
Increase (decrease) in deferred inflows of resources	(1,226,559)	(165,726)	(1,105,225)	(1,342,001)
Net cash provided by (used in) operating activities	\$ 6,935,373	\$ 104,003	\$ 8,837,654	\$ (418,628)

Parking (non-major)	Business-Type Activities -		Governmental Activities -	
	Enterprise Funds		Internal Service Funds	
	Totals		Totals	
	2023	2022	2023	2022
\$ -	\$ -	\$ -	\$ 7,300,384	\$ 6,532,656
-	45,612,058	45,851,891	-	-
-	(30,743,792)	(29,974,453)	(7,219,462)	(6,788,018)
-	590,136	(1,049,220)	-	-
-	-	-	649	-
-	15,458,402	14,828,218	81,571	(255,362)
-	1,616,450	971,766	-	-
-	(155,671)	(168,971)	-	-
-	1,870,381	1,250,000	-	443,439
-	(1,965,105)	(1,850,381)	-	-
-	1,366,055	202,414	-	443,439
-	(10,205,394)	(2,695,374)	(118,826)	-
-	(1,771,576)	(2,122,236)	-	-
-	(1,485,007)	(1,594,953)	-	-
-	(13,461,977)	(6,412,563)	(118,826)	-
-	1,154,107	608,506	-	-
-	1,154,107	608,506	-	-
-	4,516,587	9,226,575	(37,255)	188,077
-	96,686,631	87,460,056	2,872,636	2,684,559
\$ -	\$ 101,203,218	\$ 96,686,631	\$ 2,835,381	\$ 2,872,636
\$ (2,490)	\$ 4,681,603	11,451,962	25,239	124,396
-	5,053,407	5,152,042	7,928	3,978
-	-	9,544	-	-
-	(92,577)	135,267	(449)	34,682
-	-	-	-	-
-	47,540	(47,540)	-	-
-	(3,054,242)	211,019	-	-
2,490	5,214,764	(805,577)	20,323	89,043
-	(36,471)	(18,260)	-	-
-	91,651	(36,102)	33,530	(123,461)
-	7,392,238	(5,084,554)	-	-
-	-	-	(5,000)	(384,000)
-	(3,839,511)	3,860,417	-	-
\$ -	\$ 15,458,402	\$ 14,828,218	\$ 81,571	\$ (255,362)

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FIDUCIARY FUNDS

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

Redevelopment Agency Obligation Retirement Trust Fund

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

Recology San Bruno Custodial Fund

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

City of San Bruno
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023 (with comparative totals for June 30, 2022)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2023	2022	2023	2022
ASSETS				
Cash and investments	\$ 1,323,606	\$ 1,856,902	\$ 633,428	\$ 590,885
Cash and investments with fiscal agent	263	9	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	1,031,370	761,248
Interest receivable	-	-	-	-
Loans receivable	-	-	-	-
Other receivable	-	-	-	-
Prepaid items	-	-	-	-
Total assets	1,323,869	1,856,911	1,664,798	1,352,133
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	29,715	33,429	-	-
Total deferred outflows of resources	29,715	33,429	-	-
LIABILITIES				
Accounts payable	202,738	3,350	1,662,917	1,350,223
Interest payable	23,486	26,342	-	-
Deposits payable	-	-	-	-
Other liabilities	-	-	1,881	1,910
Long-term liabilities:				
Long-term debt - due within one year	365,000	350,000	-	-
Long-term debt - due in more than one year	3,419,376	3,836,798	-	-
Total liabilities	4,010,600	4,216,490	1,664,798	1,352,133
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	-	-	-
Net position held in trust	(2,657,016)	(2,326,150)	-	-
Total Net Position	\$ (2,657,016)	\$ (2,326,150)	\$ -	\$ -

City of San Bruno

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Redevelopment Agency Obligation Retirement Trust Fund		Recology San Bruno Custodial Fund	
	2023	2022	2023	2022
ADDITIONS:				
Administration allowance	\$ 287	\$ 9	\$ -	\$ -
Taxes	206,767	350,417	-	-
Charges for services	-	-	9,248,713	8,987,351
Other revenues	11,085	7,737	-	-
Total additions	218,139	358,163	9,248,713	8,987,351
DEDUCTIONS:				
Community development	404,874	3,350	-	-
Franchise fees to City	-	-	931,453	904,546
AB939 fees to City	-	-	93,145	90,455
Remittances to Recology	-	-	8,224,115	7,992,350
Interest and fiscal charges	144,131	128,105	-	-
Total deductions	549,005	131,455	9,248,713	8,987,351
Change in net position	(330,866)	226,708	-	-
NET POSITION:				
Beginning of year	(2,326,150)	(2,552,858)	-	-
End of year	<u>\$ (2,657,016)</u>	<u>\$ (2,326,150)</u>	<u>\$ -</u>	<u>\$ -</u>

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

B. Related Organizations

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

In the fiscal year ended June 30, 2023, The Foundation provided the City \$22,918,053 in grant funding for the Recreation and Aquatics Center project, and \$30,000 for the San Bruno Community Day in the Park project. The City has recorded \$0 in receivables from the Foundation as of June 30, 2023.

C. Basis of Presentation

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

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

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

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

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

Government Activities

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

Developer Agreements and Impact Fees Fund – Accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City.

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

Business-type Activities

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

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

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

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

The City also reports the following fund types:

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

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

D. Measurement Focus

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

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

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus, Continued

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

E. Basis of Accounting

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

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

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

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

Assets, Liabilities, and Equity

F. Cash Deposits and Investments

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Cash Deposits and Investments, Continued

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

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

G. Interfund Receivables and Payables

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

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

H. Receivables

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Receivables, Continued

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

I. Inventories

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

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost if actual is available. Policy has set the capitalization threshold for reporting capital assets at \$10,000. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Right-to-use assets held for long-term leases and software agreements are capitalized at \$75,000. 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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Long-Term Debt

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

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

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

L. Compensated Absences

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

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Balance as of June 30, 2022	\$ 2,759,611	\$ 545,699	\$ 3,305,310
Additions	698,634	147,109	845,743
Payments	(662,498)	(55,458)	(717,956)
Balance as of June 30, 2023	<u>2,795,747</u>	<u>637,350</u>	<u>3,433,097</u>
Current Portion	<u>\$ 558,993</u>	<u>\$ 79,818</u>	<u>\$ 638,811</u>

M. Pensions

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Deferred Outflows/Inflows of Resources

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

Revenues, Expenditures, and Expenses

O. Property Tax

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

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Expenditures/Expenses

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

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

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

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

Q. Interfund Transfers

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

R. Prior Year Comparative Financial Information

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

S. Use of Estimates

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

T. Budgetary Policies

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

- (a) Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
- (b) Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary fund types.
- (c) Budgets for the General, Special Revenue, Capital Project, and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
- (d) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2023 based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
- (e) Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.
- (f) Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.
- (g) Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.
- (h) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

U. Fair Value Measurements

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

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

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

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

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

V. Loans Receivable – Related Parties

The City routinely loans funds to employees, including to the former City Manager, for the purchase of a primary residence within the City limits. Amounts range from \$65,000-\$200,000. The interest rate on these loans is set at the Local Agency Investment Fund (LAIF) interest rate. At June 30, 2023, eight such loans were outstanding for an amount totaling \$1,089,122 owed to the City. Loans must be paid off within 15 years, or earlier if one of the following occurs: a) Six months following termination of the employee's employment with the City, b) three months following the employee no longer living at the residence. During the fiscal year, the City made three new loans totaling \$385,000, and employees paid \$46,271 in principal.

W. New Pronouncements

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

- GASB Statement No. 91, *Conduit debt* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement did not apply to the City in the current fiscal year.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement did not apply to the City in the current fiscal year.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

W. New Pronouncements, Continued

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). In implementing this statement, the City considered all software subscriptions, set a threshold of \$75,000 for recognition of a liability, restated the beginning balances of capital assets and long-term debt, and recorded a liability for three software subscriptions. See Note 4 – Capital Assets and Note 5 – Long-term Debt, for more detail.

2. CASH AND INVESTMENTS

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

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

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

A. Classification

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

Cash and investments as of June 30, 2023, consisted of the following:

	Amount
<i>Statement of Net Position</i>	
Cash and investments	\$ 231,468,901
Restricted cash and investments held by fiscal agents	2,078,584
Total cash and investments in primary government	\$ 233,547,485
 <i>Statement of Fiduciary Net Position</i>	
Cash and Investments	
Private Purpose Trust Funds	1,323,606
Custodial Funds	633,428
Restricted cash investments held by fiscal agents	263
Total cash and investments in fiduciary funds	1,957,297
Total cash and investments	\$ 235,504,782

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

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

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

During the year ended June 30, 2023, the City's permissible investments included the following instruments:

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

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

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

C. Interest Rate Risk

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

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

Cash and Investments	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasuries & Agencies	\$ 6,850,350	\$ 26,588,385	\$ 35,657,057	\$ 69,095,792
Municipal Bonds	1,613,104	6,081,468	17,164,755	24,859,327
Local Agency Investment Fund	32,904,265	-	-	32,904,265
San Mateo County Investment Pool	42,338,198	-	-	42,338,198
Certificate of Deposit	-	476,135	-	476,135
Money Market Funds	914,885	-	-	914,885
Subtotal Investment	<u>\$ 84,620,802</u>	<u>\$ 33,145,988</u>	<u>\$ 52,821,812</u>	<u>\$ 170,588,602</u>
Cash in bank and on hand				64,916,180
Total Cash and Investments				<u>\$ 235,504,782</u>

The City's investments in U.S. Treasuries, U.S. Agencies, and municipal bonds had a weighted average maturity of 2.2 years at June 30, 2023.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk, Continued

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF management calculates the fair value and cost of the entire LAIF pool. The City adjusts its cost basis invested in LAIF to fair value based upon this factor. The City's investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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

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

As of June 30, 2023, the City had \$32,904,265 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.88% in the previous year. The LAIF fair value factor of 0.984828499 was used to calculate the fair value of the investments in LAIF.

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

The SMCPIF fair value factor is determined by dividing all SMCPIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 0.9715. The financial statements for the San Mateo County are available in the San Mateo County website at www.co.sanmateo.ca.us.

D. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

D. Fair Value Hierarchy, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2023:

<i>Investments by Fair Value Level:</i>	Level 2	Total
U.S. Treasuries & Agencies	\$ 69,095,792	\$ 69,095,792
Municipal Bonds	24,859,327	24,859,327
Certificate of Deposit	476,135	476,135
Money Market Mutual Fund	914,885	914,885
Totals	<u>\$ 95,346,139</u>	<u>95,346,139</u>
<i>Investments Measured Using Fair Value Factor:</i>		
Local Agency Investment Fund (LAIF)		32,904,265
San Mateo County Investment Pool		42,338,198
Totals		<u>75,242,463</u>
Total Investments		<u><u>\$ 170,588,602</u></u>

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Aa1	Aa2	Aa3	Total
U.S. Government Agencies	\$ 1,034,678	\$ -	\$ -	\$ -	\$ 1,034,678
U.S. Treasury Notes	64,361,274	-	-	-	64,361,274
Municipal Bonds	2,705,480	2,813,400	11,880,541	3,685,715	21,085,136
Totals	68,101,432	2,813,400	11,880,541	3,685,715	86,481,088
Not Rated:					
U.S. Treasury Notes					3,699,840
Municipal Bonds ¹					3,774,191
Money Market Funds					914,885
Certificate of Deposit					476,135
Local Agency Investment Fund (LAIF)					32,904,265
San Mateo County Investment Pool					42,338,198
Total Investments					<u>\$170,588,602</u>

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. TRANSFERS AMONG FUNDS

A. Transfers Among Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2023, were as follows:

Transfers Out	Transfers In							Total
	General Fund	Parks and Facilities and Technology	Non-Major Governmental Funds	Water	Stormwater	Wastewater	CityNet	
Major Funds:								
General Fund	\$ -	\$ 9,039,287	\$ 9,951,034	\$ 457,100	\$ 110,000	\$ 1,207,882	\$ 95,399	\$20,860,702
Developer Agreements and Impact Fees	-	2,000,000	42,765	-	-	-	-	2,042,765
Parks and Facilities	1,258,320	-	541,618	-	-	-	-	1,799,938
Non-Major Governmental Funds	1,249,782	1,098,044	3,533,789	-	-	-	-	5,881,615
Major Enterprise Funds:								
Water	-	940,000	-	-	-	-	-	940,000
Wastewater	-	580,000	-	-	-	-	-	580,000
CityNet	420,105	25,000	-	-	-	-	-	445,105
Total	\$ 2,928,207	\$13,682,331	\$14,069,206	\$ 457,100	\$ 110,000	\$ 1,207,882	\$ 95,399	\$32,550,125

General Fund

Transfers from the General Fund to all funds except Wastewater and \$1,719,625 to the non-major governmental funds were to support budgeted capital projects. The purpose of transferring \$1,719,625 from the General Fund to the Non-Major Governmental Funds was to make payments on long-term debt. The transfer from the General Fund to the Wastewater Fund was to return unused monies previously contributed by the Wastewater Fund to the General Fund for capital projects.

Transfers to the General Fund from the CityNet Fund were to fund debt service expenditures and return unused monies previously contributed by the General Fund to the CityNet Fund for capital projects. Transfers to the General Fund from the Parks and Facilities Fund were to return unspent monies on capital projects, and transfers from non-major governmental funds to the General Fund were to augment various City services such as street maintenance and police.

Parks and Facilities and Technology Capital Improvement Fund

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. TRANSFERS AMONG FUNDS, Continued

B. Interfund Advances

During fiscal year 2016, the General Fund loaned the CityNet Services Enterprise Fund (CityNet) \$1,170,000 for a Fiber to Home project at the Shelter Creek Condominiums. The advance accrues interest at a 0.525% annual interest rate for seven years. In the fiscal year ended June 30, 2023, CityNet paid off the remaining balance.

For multiple fiscal years, CityNet has had a negative cash balance. The City is developing a plan to reduce the net operating loss and repay the General Fund the balance due. At June 30, 2023, the cash balance due to the General Fund was \$16,036,799.

<u>Fund Receiving Advance</u>	<u>Fund Making Advance</u>	<u>Amount of Advance</u>
City Net Services Enterprise Fund	General Fund	\$16,036,799
Stormwater Enterprise Fund	General Fund	642,426
	Total	<u>\$16,679,225</u>

C. Interfund Balances

Interfund balance arise in normal course of business. Amounts due to and due from other Funds reflect interfund balances for services rendered or short-term loan expected to be repaid in the next fiscal year. At June 30,2023, interfund balances comprised the following:

<u>Due to Other Funds</u>	<u>Due From Other Funds</u>	<u>Amount</u>
Federal/State Grant Special Revenue Fund (nonmajor)	General Fund	\$ 1,450,548
	Total	<u>\$ 1,450,548</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Governmental activities capital assets as of June 30, 2023 comprise:

	Balance July 1, 2022, as restated	Additions	Deletions	Transfers	Balance June 30, 2023
<i>Governmental Activities</i>					
Capital assets not being depreciated:					
Land	\$ 4,649,235	\$ -	\$ -	\$ -	\$ 4,649,235
Construction in progress	20,773,221	24,445,419	-	(2,742,432)	42,476,208
Total capital assets not being depreciated	25,422,456	24,445,419	-	(2,742,432)	47,125,443
Capital assets being depreciated:					
Buildings and improvements	16,868,309	-	-	168,044	17,036,353
Machinery, improvements and equipment	19,234,540	486,605	(48,125)	-	19,673,020
Infrastructure	100,982,550	-	-	2,574,388	103,556,938
Right to use-Software	280,502	690,702	-	-	971,204
Total capital assets being depreciated, as restated	137,365,901	1,177,307	(48,125)	2,742,432	141,237,515
Less accumulated depreciation for:					
Buildings and improvements	(10,221,900)	(524,039)	-	-	(10,745,939)
Machinery, improvements and equipment	(13,533,945)	(1,031,401)	48,125	-	(14,517,221)
Infrastructure	(56,267,824)	(2,142,804)	-	-	(58,410,628)
Right to use-Software	-	(320,026)	-	-	(320,026)
Total accumulated depreciation	(80,023,669)	(4,018,270)	48,125	-	(83,993,814)
Net capital assets being depreciated	57,342,232	(2,840,963)	-	2,742,432	57,243,701
Governmental Activities capital assets, net	\$ 82,764,688	\$ 21,604,456	\$ -	\$ -	\$104,369,144

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS, Continued

A. Capital Asset Additions and Retirements, Continued

Business-type activities capital assets as of June 30, 2023 comprise:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$ 576,842	\$ -	\$ -	\$ -	\$ 576,842
Construction in progress	9,726,495	8,445,685	-	-	18,172,180
Total capital assets not being depreciated	10,303,337	8,445,685	-	-	18,749,022
Capital assets being depreciated:					
Buildings and improvements	108,236,520		-	-	108,236,520
Machinery, improvements and equipment	33,488,560	269,065	-	-	33,757,625
Sewer plant	29,557,060	1,490,644	-	-	31,047,704
Total capital assets being depreciated	171,282,140	1,759,709	-	-	173,041,849
Less accumulated depreciation for:					
Buildings and improvements	(33,523,796)	(3,016,291)	-	-	(36,540,087)
Machinery, improvements and equipment	(27,320,300)	(971,559)	-	-	(28,291,859)
Sewer Plant	(18,151,249)	(1,065,557)	-	-	(19,216,806)
Total accumulated depreciation	(78,995,345)	(5,053,407)	-	-	(84,048,752)
Net capital assets being depreciated	92,286,795	(3,293,698)	-	-	88,993,097
Business-type activity capital assets, net	\$102,590,132	\$ 5,151,987	\$ -	\$ -	\$107,742,119

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	\$ 887,848
Public safety	661,702
Public works	21,383
Streets	2,138,484
Parks and recreation	290,644
Library	13,656
Community and economic development	4,553
Total	<u>\$ 4,018,270</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. CAPITAL ASSETS, Continued

B. Depreciation Allocation, Continued

Business-Type Activities	Amount
Water	1,831,648
Stormwater	237,047
Wastewater	1,689,990
SSF Sewer Plant	1,065,557
CityNet	229,165
	<u>229,165</u>
Total	<u>\$ 5,053,407</u>

5. LONG-TERM DEBT

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

A. The City's Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2023:

	Balance July 1, 2022, as restated	Additions	Retirements	Balance June 30, 2023	Amount due within one year
Governmental Activity - Bonds:					
2013 Pension Obligation Bond	\$ 5,240,000	\$ -	\$ (970,000)	\$ 4,270,000	\$ 1,005,000
Discount on Pension Obligation Bond	(97,590)	-	19,518	(78,072)	-
Total Governmental Activity - Bonds	<u>5,142,410</u>	<u>-</u>	<u>(950,482)</u>	<u>4,191,928</u>	<u>1,005,000</u>
Governmental Activity - Direct Borrowings:					
2018 Cable Router	339,090	-	(339,090)	-	-
2022 Fire Pumper Trucks	1,600,000	-	(137,156)	1,462,844	141,790
SBITA Liability	280,502	690,702	(272,503)	698,701	272,829
Total Governmental Activity - Direct Borrowings, as restated	<u>2,219,592</u>	<u>690,702</u>	<u>(748,749)</u>	<u>2,161,545</u>	<u>414,619</u>
Total Governmental Activities, as restated	<u>\$ 7,362,002</u>	<u>\$ 690,702</u>	<u>\$ (1,699,231)</u>	<u>\$ 6,353,473</u>	<u>\$ 1,419,619</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

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

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Amount due within one year
Business-Type Activity - Bonds:					
2017 Water Revenue Bond	\$ 10,850,000	\$ -	\$ (230,000)	\$ 10,620,000	\$ 240,000
Premium of Revenue Bond	1,080,425	-	(41,555)	1,038,870	-
2017 Wastewater Revenue Bond	22,860,000	-	(485,000)	22,375,000	505,000
Premium of Revenue Bond	2,275,881	-	(87,534)	2,188,347	-
2013 Wastewater Refunding Revenue Bond	4,650,000	-	(335,000)	4,315,000	345,000
Premium of Revenue Bond	196,630	-	(17,877)	178,753	-
Total Business-Type Activity - Bonds	41,912,936	-	(1,196,966)	40,715,970	1,090,000
Business-Type Activity - Direct Borrowings:					
Due to City of South San Francisco					
1997 Loan	574,610	-	(574,610)	-	-
2007 Loan	1,724,756	-	-	1,724,756	841,088
Total Business-Type Activity - Direct Borrowings	2,299,366	-	(574,610)	1,724,756	841,088
Total Business-Type Activities	\$ 44,212,302	\$ -	\$ (1,771,576)	\$ 42,440,726	\$ 1,931,088

B. Governmental Activities

2013 Pension Obligation Bonds

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

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

The Bonds are payable from any source of legally available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During fiscal year 2022-23, the City made principal and interest payments totaling \$970,000 and \$207,175, respectively. The bonds mature on June 1, 2027.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

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

For The Year Ending June 30	2013 Pension Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,005,000	\$ 170,800	\$ 1,175,800
2025	1,045,000	130,600	1,175,600
2026	1,090,000	88,800	1,178,800
2027	1,130,000	45,200	1,175,200
Subtotal	4,270,000	435,400	4,705,400
Less Discount	(78,072)	-	(78,072)
Total	<u>\$ 4,191,928</u>	<u>\$ 435,400</u>	<u>\$ 4,627,328</u>

Direct Borrowings

2018 Router Equipment

In October 2018, the City entered into a \$1,630,339 capital lease-purchase agreement with Key Government Finance, Inc., to purchase router equipment for the Cable Enterprise Fund. Principal payments are due annually on November 26 with an interest rate of 3.75%. The debt payments are made by the General Fund until the Cable Fund recognizes adequate revenue to pay for the annual lease-purchase payments. During fiscal year 2022-23, the City made principal and interest payments totaling \$339,090 and \$12,937, respectively. The lease-purchase agreement was paid in full on November 26, 2022.

2022 Fire Pumper Truck

In June 2022, the City entered into a \$1,600,000 capital lease-purchase agreement with Western Alliance Equipment Finance, Inc., to purchase two fire pumper trucks. Principal payments are due semi-annually on December 1 and June 1 with an interest rate of 3.35%. The debt payments are made by the debt service fund. The first payment on the debt was in December 1, 2022, and will be paid in full on June 1, 2032. During fiscal year 2022-23, the City made principal and interest payments totaling \$137,156 and \$51,567, respectively.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

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

For The Year Ending June 30	2022 Fire Pumper Trucks Obligation		
	Principal	Interest	Total
2024	\$ 141,790	\$ 47,828	\$ 189,618
2025	146,580	43,038	189,618
2026	151,531	38,086	189,617
2027	156,650	32,967	189,617
2028	161,942	27,676	189,618
2029-2033	704,351	54,119	758,470
Total	<u>\$ 1,462,844</u>	<u>\$ 243,714</u>	<u>\$1,706,558</u>

Subscription Based Information Technology Arrangements (SBITAs)

City of San Bruno implemented GASB 96 during the year on subscription contracts with NeoGov, Microsoft Office and Axon enterprises, for HR, government-wide, and police software, respectively.

In October 2022, City entered into multiyear agreement with NeoGov, for HR related services. The contract with NeoGov expires on 09/2024. The City made subscription payments of \$98,557 in 2023.

City has a multiyear contract with a Microsoft vendor for Microsoft Office 365 that ends 09/2024. The City paid \$56,301 for access to the software applications in the current fiscal year.

In November 2022, City entered into multiyear agreements with Axon enterprises for police camera software, and cloud storage expiring on 10/2027. The City paid \$151,652 in 2023 to Axon for this technology.

The future payments on the aforementioned SBITA liabilities were as follows:

For The Year Ending June 30	SBITA Liability		
	Principal	Interest	Total
2024	\$ 272,829	\$ 33,681	\$ 306,510
2025	145,064	20,663	165,727
2026	137,685	13,966	151,651
2027	143,123	7,056	150,179
Total	<u>\$ 698,701</u>	<u>\$ 75,366</u>	<u>\$ 774,067</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

C. Business-Type Activities

2017 Water Revenue Bonds

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

The Bonds are payable solely from the Net Revenues of the Water System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During fiscal year 2022-23, the City made principal and interest payments totaling \$230,000 and \$448,250, respectively. The bonds mature on July 1, 2047.

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

For the Year Ending June 30	2017 Water Revenue		
	Principal	Interest	Total
2024	\$ 240,000	\$ 438,850	\$ 678,850
2025	250,000	427,800	677,800
2026	260,000	415,050	675,050
2027	275,000	401,675	676,675
2028	290,000	387,550	677,550
2029-2033	1,680,000	1,699,500	3,379,500
2034-2038	2,085,000	1,292,600	3,377,600
2039-2043	2,500,000	866,000	3,366,000
2044-2047	3,040,000	313,400	3,353,400
Subtotal	10,620,000	6,242,425	16,862,425
Plus Premium	1,038,870	-	1,038,870
Total	<u>\$ 11,658,870</u>	<u>\$ 6,242,425</u>	<u>\$ 17,901,295</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

2017 Wastewater Revenue Bonds

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

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During fiscal year 2022-23, the City made principal and interest payments totaling \$485,000 and \$944,350, respectively. The bonds mature on July 1, 2047.

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

For the Year Ending June 30	2017 Wastewater Revenue		
	Principal	Interest	Total
2024	\$ 505,000	\$ 924,550	\$ 1,429,550
2025	525,000	901,325	1,426,325
2026	550,000	874,450	1,424,450
2027	580,000	846,200	1,426,200
2028	610,000	816,450	1,426,450
2029-2033	3,530,000	3,581,750	7,111,750
2034-2038	4,395,000	2,724,700	7,119,700
2039-2043	5,270,000	1,825,600	7,095,600
2044-2047	6,410,000	661,000	7,071,000
Subtotal	22,375,000	13,156,025	35,531,025
Plus Premium	2,188,347	-	2,188,347
Total	\$ 24,563,347	\$ 13,156,025	\$ 37,719,372

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

2013 Wastewater Revenue Refunding Bonds

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

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During fiscal year 2022-23, the City made principal and interest payments totaling \$335,000 and \$204,263 respectively. The bonds mature on July 1, 2032.

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

For the Year Ending June 30	2013 Wastewater Revenue Refunding		
	Principal	Interest	Total
2024	\$ 345,000	\$ 188,100	\$ 533,100
2025	365,000	170,350	535,350
2026	380,000	151,725	531,725
2027	405,000	132,100	537,100
2028	425,000	113,475	538,475
2029-2033	2,395,000	275,663	2,670,663
Subtotal	4,315,000	1,031,413	5,346,413
Plus Premium	178,753	-	178,753
Total	<u>\$ 4,493,753</u>	<u>\$ 1,031,413</u>	<u>\$ 5,525,166</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

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 payable over a 25-year period. During fiscal year 2022-23, the City made principal and interest payments totaling \$574,610, and \$14,940, respectively. The loan issued in 2003 was paid in full on August 1, 2022. No payments were made on the 2007 loan issued in the fiscal year 2022-23. The 2007 loan will be paid in full on April 30, 2026.

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

For the Year Ending June 30	2007 Loan South San Francisco		
	Principal	Interest	Total
2024	841,088	75,854	916,942
2025	436,380	22,092	458,472
2026	447,288	11,182	458,470
Total	<u>\$ 1,724,756</u>	<u>\$ 109,128</u>	<u>\$ 1,833,884</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. LONG-TERM DEBT, Continued

D. Fiduciary Funds

The following is a summary of the Redevelopment Obligation Retirement Fund's long-term debt transactions for the year ended June 30, 2023:

	Balance June 30, 2022	Retirements	Balance June 30, 2023	Amount due within one year
2019 Lease Revenue Bonds	\$ 3,715,000	\$ 350,000	\$ 3,365,000	\$ 365,000
Premium on Refunding Bond	471,798	52,422	419,376	-
Total Fiduciary Activity	<u>\$ 4,186,798</u>	<u>\$ 402,422</u>	<u>\$ 3,784,376</u>	<u>\$ 365,000</u>

2019 Lease Revenue Bonds

In 2000, the City issued City of San Bruno Certificates of Participation, Series 2000 (Police Facility Financing) in the original principal amount of \$9,600,000 to fund the construction of the Police Facility. In March 2019, the City paid off the remaining balance of \$6 million of the 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 2022-23, the City made principal and interest payments totaling \$350,000, and \$158,050, respectively.

The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

For the Year Ending June 30	2019 Lease Revenue Bonds		
	Principal	Interest	Total
2024	\$ 365,000	\$ 144,050	\$ 509,050
2025	375,000	129,450	504,450
2026	395,000	114,450	509,450
2027	410,000	98,650	508,650
2028	430,000	82,250	512,250
2029-2033	1,390,000	136,550	1,526,550
Subtotal	3,365,000	705,400	4,070,400
Add Premium	419,376	-	419,376
Total	<u>\$ 3,784,376</u>	<u>\$ 705,400</u>	<u>\$ 4,489,776</u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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.

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.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION AND FUND BALANCES, Continued

B. Fund Balances, Continued

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.

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	\$ 3,408,146
Developer Agreements and Impact Fees	22,449
Parks and Facilities and Technology Capital Improvement	18,645,987
Total Major Funds	22,076,582
Non-Major Funds:	
Street Improvement Capital Projects	\$ 3,191,653
Other non-major funds	278,814
Total Non-Major Funds	3,470,467
Total	\$25,547,049

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balance Classifications

Detailed classifications of the City's fund balance, as of June 30, 2023, are below:

Fund Balance Classifications	General Fund	Developer Agreements and Impact Fees	Parks and Facilities and Technology Capital Improvement Fund	Other Governmental Funds	Total
Nonspendables:					
Advances to other funds	\$ 16,679,225	\$ -	\$ -	\$ -	\$ 16,679,225
Total Nonspendable Balances	16,679,225	-	-		16,679,225
Restricted for:					
Disaster recovery	-	-	-	13,261	13,261
Special Revenue Programs	-	29,979,441	-	9,557,821	39,537,262
Capital Projects	-	-	18,645,987	17,027,771	35,673,758
Total Restricted Fund Balances	-	29,979,441	18,645,987	26,598,853	75,224,281
Assigned to:					
General Fund Reserve	3,000,919	-	-	-	3,000,919
General Fund Contingency	6,644,353	-	-	-	6,644,353
Emergency Disaster Reserve	2,857,478	-	-	-	2,857,478
Capital Improvement/One-Time Initiative Reserve	-	24,713,580	-	-	24,713,580
Encumbrances	3,408,146	-	-	-	3,408,146
Total Assigned Fund Balances	15,910,896	24,713,580	-	-	40,624,476
Unassigned	7,436,975	-	(8,014,854)	(1,485,946)	(2,063,825)
Total Unassigned Fund Balances	7,436,975	-	(8,014,854)	(1,485,946)	(2,063,825)
Total Fund Balances	\$ 40,027,096	\$ 54,693,021	\$ 10,631,133	\$ 25,112,907	\$ 130,464,157

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balance Classifications, Continued

The General Fund Reserve can only be utilized through resolution of the City Council. Appropriations of these funds are reserved for the following situations: A decrease in revenues in excess of 5% of total budgeted General Fund revenues within one year, the loss of revenues from another government entity, and one-time, non-recurring initiatives of the City Council deemed of significant importance to the City. The balance at June 30, 2023 was \$3,000,919.

The General Fund Contingency Reserve can be utilized through resolution for a budget appropriation deemed appropriate by City Council. The balance at June 30, 2023 was \$6,644,353.

The Emergency Disaster Reserve is intended to be utilized in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget. The Emergency Disaster Reserve can only be utilized through resolution of the City Council declaring an emergency. Upon such declaration, it would be the intent of the City to utilize the Emergency Disaster Reserve for all costs associated with the City's response to the emergency situation prior to any other reserve funds. The balance at June 30, 2023 was \$2,857,478.

The Capital Improvement/One-Time Initiative Reserve Fund is available for the capital improvement program projects and initiatives of significant importance to the City that have no other dedicated funding source. These projects include improvements to City facilities, parks, and technology. The balance at June 30, 2023 was \$24,713,580.

Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled. The total encumbrances at June 30, 2023 were \$25,547,049.

F. Net Position and Fund Balance Deficits

The City has a deficit net position of \$19,820,619 in the CityNet Services Enterprise Fund, which will be funded through additional revenues expected from offering higher margin cable and internet packages and expense reductions. The City also has deficit net positions of \$3,113,543 in the Self Insurance Internal Service Fund and \$61,399 in Central Garage Internal Service Fund which will be funded by future cost allocations from other funds.

The City has a deficit fund balance of \$1,462,060 in the Federal/State Grants Special Revenue Fund, \$7,133 in Agency on Aging Special Revenue Fund and \$16,753 in General Debt Service Fund. The intent is that the Federal/State Grants and Agency on Aging funds will be funded by future revenues, and that the General Debt Service Fund will be funded by contributions from other funds.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION AND FUND BALANCES, Continued

G. Excess of Expenditures and Transfers Out Over Appropriations

The following expenditures exceeded budgeted amounts for the fiscal year ended June 30, 2023:

Fund/Department	Expenditures/Transfers Out Exceeding Budget
General Fund:	
Public safety	\$ 1,168,151
Public works	17,133
Transfers out	16,488,454
Gas Tax	1,333,529
Measure A Transportation Tax	1,130,000
Measure W Transportation Tax	600,000
Federal/State Grants	1,380,218

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, 2023, claims payable are as follows:

Claims payable June 30, 2021	\$ 5,412,000
Changes to estimated claims liability	488,707
Claims paid	(872,707)
Claims payable June 30, 2022	<u>5,028,000</u>
Changes to estimated claims liability	878,317
Claims paid	(883,317)
Claims payable June 30, 2023	<u>\$ 5,023,000</u>
Current Portion	<u><u>\$ 1,118,000</u></u>

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

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

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

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

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

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

B. Actuarial Assumptions and Discount Rate

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liabilities were determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	6/30/2021
Measurement Date	6/30/2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table(1)	Derived using CalPERS' Membership Data for all Funds Lesser of Contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter
Post Retirement Benefit Increase	

(1)The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Discount Rate - The discount rate used to measure the total pension liability for each Plan as of the measurement date of June 30, 2022 was 6.90%, which differs from the discount rate used as of the measurement date of June 30, 2021, of 7.15%. The projection of cash flows used to determine the discount rate for the Plans assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans. 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 and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses.

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

Asset Class(a)	Assumed Asset Allocation	Real Return Years 1,2
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84
Private Equity	13%	7.28
Treasury	5%	0.27
Mortgage-backed Securities	5%	0.50
Investment Grade Corporates	10%	1.56
High Yield	5%	2.27
Emerging Market Debt	5%	2.48
Private Debt	5%	3.57
Real Assets	15%	3.21
Leverage	-5%	(0.59)
Total	100%	

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

(2) Figures are based on the 2021 Asset Liability Management Study.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate, Continued

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.

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

		Net Pension Liability/Proportionate		
	Deferred Outflows of Resources	Share of the Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$ 15,196,446	\$ 55,904,828	\$ 63,029	\$ 7,438,155
Safety	28,216,102	61,982,346	4,654,330	373,776
	<u>\$ 43,412,548</u>	<u>\$ 117,887,174</u>	<u>\$ 4,717,359</u>	<u>\$ 7,811,931</u>

A summary of the changes in net pension liability by plan type as of June 30, 2022 and June 30, 2023 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total - Both Plans
6/30/2022	\$ 33,618,509	\$ 34,593,086	\$ 68,211,595
6/30/2023	55,904,828	61,982,346	117,887,174
Change-Increase (Decrease)	\$ 22,286,319	\$ 27,389,260	\$ 49,675,579

C. CalPERS Miscellaneous Plan

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

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2023, 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 benefit, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	10.840%	10.840%
Required UAL payment	\$4,211,213	\$0

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 \$4,211,213 in fiscal year 2023.

Employees Covered - At the measurement date June 30, 2022, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	277
Inactive employees entitled to but not yet receiving benefits	187
Active employees	155
Total	619

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

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Net Pension Liability - The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Miscellaneous Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

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, 2021 (Measurement Date)	\$ 158,355,884	\$ 124,737,375	\$ 33,618,509
Changes in the year:			
Service cost	2,806,527		2,806,527
Interest on the total pension liability	11,107,354		11,107,354
Changes of benefit terms			-
Changes in assumptions	5,510,831		5,510,831
Differences between actual and expected experience	(100,106)		(100,106)
Net Plan to plan resource movement			-
Contribution - employer		5,379,704	(5,379,704)
Contribution - employee		1,106,909	(1,106,909)
Net investment income		(9,370,622)	9,370,622
Benefit payments, including refunds of employee contributions	(8,387,442)	(8,387,442)	-
Administrative expense		(77,704)	77,704
Other Miscellaneous Income/Expense			-
Net changes	10,937,164	(11,349,155)	22,286,319
Balance at June 30, 2022 (Measurement Date)	\$ 169,293,048	\$ 113,388,220	\$ 55,904,828

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

1% Decrease	5.90%
Net Pension Liability	\$ 78,738,797
Current Discount Rate	6.90%
Net Pension Liability	\$ 55,904,828
1% Increase	7.90%
Net Pension Liability	\$ 37,124,657

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2023, the City recognized pension expense of \$7,438,155 for the Miscellaneous Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,944,790	\$ -
Differences between actual and expected experience	141,490	63,029
Changes in assumptions	3,469,781	-
Net difference between projected and actual earnings on plan investments	5,640,385	-
Total	<u>\$ 15,196,446</u>	<u>\$ 63,029</u>

A total of \$5,944,790 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 ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense (income) as follows:

Year Ended June 30	
2024	\$ 3,034,796
2025	2,194,440
2026	378,270
2027	3,581,121

D. CalPERS Safety Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (CalPERS Plan) administered by the California Public Employees' Retirement System (CalPERS). The CalPERS Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool and a safety risk pool. CalPERS Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. The City sponsors two rate plans (two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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

The Safety Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefit, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.0%
Required employer contribution rates	23.750%	12.780%
Required UAL payment	\$4,377,744	\$37,869

CalPERS collects employer contributions for the CalPERS 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 \$4,415,613 in fiscal year 2023.

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 CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2022, contributions to the Safety Plan were \$6,153,419.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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

As of June 30, 2023, the City reported net pension liability for its proportionate share of the net pension liability of the Safety Plan of \$61,982,346.

The City's net pension liability for the Safety Plan is measured as the proportionate share the total net pension liability of the CalPERS Plan. The net pension liability is measured as of June 30, 2022, and the total pension liability for the CalPERS Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability as of the measurement dates June 30, 2021 and 2022 were as follows:

	Safety Plan
Proportion - June 30, 2021	0.63963%
Proportion - June 30, 2022	0.53661%
Change - Increase (Decrease)	-0.10302%

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

For the year ended June 30, 2023, the City recognized pension expense of \$7,403,865 for the Safety Plan. On June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,866,039	\$ -
Differences between actual and expected experience	2,565,224	673,079
Changes in assumptions	6,249,697	-
Net differences between projected and actual earnings on plan investments	9,787,879	-
Change in Employer's Proportion	2,747,263	-
Differences between actual contributions and proportional contributions	-	3,981,251
Total	<u>\$ 28,216,102</u>	<u>\$ 4,654,330</u>

A total of \$6,866,039 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

Year Ending June 30,	
2024	\$ 4,735,248
2025	3,818,957
2026	2,170,796
2027	5,970,732

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

	Safety
1% Decrease	5.90%
Net Pension Liability	\$ 89,859,474
Current Discount Rate	6.90%
Net Pension Liability	\$ 61,982,346
1% Increase	7.90%
Net Pension Liability	\$ 39,199,092

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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

9. OTHER POST-EMPLOYMENT DEFINED BENEFIT 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 benefit plan. The City provides no direct financial contribution towards retiree health benefits; however, due to retirees and active employees being insured in the same pool, it indirectly subsidizes their premiums through payments for current employees.

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, 2023:

Current Retirees	119
Active employees	<u>229</u>
Total	<u><u>348</u></u>

Premiums for eligible retirees vary based on years of service, plan selected, eligibility for Medicare, and the number of eligible dependents covered under the retiree medical program, with monthly premiums up to \$708 for retiree-only and up to an additional \$708 per eligible dependent.

City's Funding Policy - The Teamsters Local #856 Health and Welfare Trust Fund determines 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 2022-23 the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund was \$7,070,813, 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 Liability - 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. The City does not record a net OPEB liability due to the inability to obtain information from the Teamsters Local #856 Health and Welfare Trust Fund in order to measure the liability.

City of San Bruno
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

11. LITIGATION

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

On April 17, 2023 the California Department of Tax & Fee Administration (CDTFA) issued a reallocation notice to the City and Walmart.com USA (Walmart) in the amount of approximately \$27.5 million which states that certain sales tax should be reallocated to other jurisdictions. The City and Walmart filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief on October 26, 2023 to find the City's allocation of local sales taxes is proper. If the City and Walmart lose the case, the City would owe up to approximately \$15.3 million to the CDTFA to be redistributed.

12. GOING CONCERN

At June 30, 2023, the CityNet Enterprise Fund had \$0 in cash and an accumulated interfund debt to the General Fund of \$16,036,799. Additionally, the fund continues to have operating losses each year, with an operating loss of \$795,261 in FY23 and an operating loss of \$859,995 in the prior year. Management continues to take measures to improve revenue and subscription margins. On August 1, 2023, management increased service rates between 9 and 12 percent, depending on the subscription package. Additionally, management is exploring a 2 to 5 percent rate increase in the first half of 2024 to further bolster the enterprise's financial condition. The enterprise continues to pursue opportunities to improve subscription margins going forward. In January 2024, the City issued a request for interest to explore interest from private industry to acquire the operation.

At June 30, 2023, the Stormwater Enterprise Fund had \$0 in cash and an interfund payable to the General Fund of \$642,426, and has an operating loss of \$1,099,400 as compared with an operating loss of \$590,107 in the prior year. The fund requires transfers in from the General Fund to maintain a positive fund balance. Management has evaluated the fund and has concluded that the charges for services are not adequate for the costs of those services. In July 2023 the City began collecting \$798,993 annually from the garbage franchise to help defray the cost of stormwater services which is affected by the amount of garbage in stormwater culverts and drains. Management continues to explore opportunities to reduce the General Fund's support of the Stormwater Enterprise Fund.

REQUIRED SUPPLEMENTARY INFORMATION

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City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 33,781,873	\$ 34,681,873	\$ 44,206,883	\$ 9,525,010
Licenses and permits	5,413,525	6,198,525	7,237,718	1,039,193
Intergovernmental	11,994,104	12,036,602	7,743,930	(4,292,672)
Charges for services	3,226,000	3,111,769	4,595,952	1,484,183
Fines and forfeitures	1,080,250	1,080,250	626,532	(453,718)
Use of money and property	811,309	811,309	(584,768)	(1,396,077)
Other revenues	5,653,838	5,653,838	5,864,628	210,790
Total revenues	61,960,899	63,574,166	69,690,875	6,116,709
EXPENDITURES:				
Current:				
General government	8,239,531	9,949,247	8,630,693	1,318,554
Public safety	32,376,320	33,138,199	34,306,350	(1,168,151)
Public works	1,685,115	2,036,053	2,053,186	(17,133)
Streets	2,369,473	2,495,026	2,055,155	439,871
Parks and recreation	6,283,695	6,613,374	5,443,772	1,169,602
Library	2,281,280	2,307,280	2,218,207	89,073
Community and economic development	3,025,117	4,963,187	3,198,317	1,764,870
Capital outlay	581,100	1,635,036	1,112,575	522,461
Total expenditures	56,841,631	63,137,402	59,018,255	4,119,147
REVENUES OVER (UNDER)				
EXPENDITURES	5,119,268	436,764	10,672,620	10,235,856
OTHER FINANCING SOURCES (USES):				
Transfers in	2,473,671	3,102,108	2,928,207	(173,901)
Transfers out	(2,986,902)	(4,372,248)	(20,860,702)	(16,488,454)
Proceeds from sale of property	5,060,000	5,060,000	-	(5,060,000)
Proceeds from long-term debt	-	-	690,702	690,702
Total other financing sources (uses)	4,546,769	3,789,860	(17,241,793)	(21,031,653)
Net change in fund balances	\$ 9,666,037	\$ 4,226,624	(6,569,173)	\$ (10,795,797)
FUND BALANCES:				
Beginning of year			46,596,269	
End of year			<u>\$ 40,027,096</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Developer Agreements and Impact Fees Fund For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 19,975,362	\$ 19,975,362	\$ 31,619,276	\$ 11,643,914
Use of money and property	10,000	10,000	584,040	574,040
Other revenues	-	-	24,454,581	24,454,581
Total revenues	19,985,362	19,985,362	56,657,897	36,672,535
EXPENDITURES:				
Current:				
General government	-	100,000	77,551	22,449
Total expenditures	-	100,000	77,551	22,449
REVENUES OVER (UNDER)				
EXPENDITURES	19,985,362	19,885,362	56,580,346	36,694,984
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(2,042,765)	(2,042,765)	-
Total other financing sources (uses)	-	(2,042,765)	(2,042,765)	-
Net change in fund balances	\$ 19,985,362	\$ 17,842,597	54,537,581	\$ 36,694,984
FUND BALANCES:				
Beginning of year			155,440	
End of year			\$ 54,693,021	

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City of San Bruno
Required Supplementary Information
For the year ended June 30, 2023

Miscellaneous Plan

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

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

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

Notes to the Schedule:

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

Changes in Assumptions: In 2022, CalPERS reduced the discount rate to 6.9% from 7.15%. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, and 2020, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate.

2017	2018	2019	2020	2021	2022
\$ 2,531,862	\$ 2,492,070	\$ 2,432,199	\$ 2,514,610	\$ 2,603,128	\$ 2,806,527
9,108,648	9,431,890	9,905,673	10,324,053	10,739,952	11,107,354
(667,604)	(431,451)	1,352,032	-	613,120	(100,106)
7,626,708	(862,136)	-	856,075	-	5,510,831
(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)	(8,387,442)
13,028,520	4,589,143	6,491,689	6,125,625	6,166,715	10,937,164
121,954,192	134,982,712	139,571,855	146,063,544	152,189,169	158,355,884
\$ 134,982,712	\$ 139,571,855	\$ 146,063,544	\$ 152,189,169	\$ 158,355,884	\$ 169,293,048
\$ 3,286,539	\$ 3,493,382	\$ 4,025,948	\$ 4,630,765	\$ 5,012,295	\$ 5,379,704
1,021,113	1,025,190	1,014,107	1,144,051	1,051,962	1,106,909
9,203,409	7,685,495	6,290,148	5,016,150	23,324,110	(9,370,622)
-	(223)	-	-	-	-
(5,571,094)	(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)	(8,387,442)
(121,842)	(140,779)	(68,577)	(141,202)	(103,132)	(77,704)
-	(267,342)	223	-	-	-
7,818,125	5,754,493	4,063,634	3,080,651	21,495,750	(11,349,155)
82,524,722	90,342,847	96,097,340	100,160,974	103,241,625	124,737,375
\$ 90,342,847	\$ 96,097,340	\$ 100,160,974	\$ 103,241,625	\$ 124,737,375	\$ 113,388,220
\$ 44,639,865	\$ 43,474,515	\$ 45,902,570	\$ 48,947,544	\$ 33,618,509	\$ 55,904,828
66.93%	68.85%	68.57%	67.84%	78.77%	66.98%
\$ 12,661,824	\$ 12,736,637	\$ 13,803,211	\$ 14,427,436	\$ 14,301,123	\$ 14,353,672
352.55%	341.33%	332.55%	339.27%	235.08%	389.48%

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2023

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

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

Notes to Schedule:

Valuation date	6/30/2012	6/30/2013	6/30/2014
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

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

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

2018	2019	2020	2021	2022	2023
\$ 3,493,382	\$ 4,025,948	\$ 4,630,765	\$ 5,012,295	\$ 5,366,996	\$ 5,944,790
(3,493,382)	(4,025,948)	(4,630,765)	(5,012,295)	(5,366,996)	(5,944,790)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,736,637	\$ 13,803,211	\$ 14,427,436	\$ 14,301,123	\$ 14,353,672	\$ 15,988,755
27.43%	29.17%	32.10%	35.05%	37.39%	37.18%
6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2023

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

Safety Plan

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

Notes to the schedule:

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

The CalPERS discount rate increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
0.44960%	0.46924%	0.47762%	0.49200%	0.63963%	0.53661%
\$ 44,587,858	\$ 45,216,872	\$ 48,942,165	\$ 53,531,797	\$ 34,593,086	\$ 61,982,346
\$ 9,360,496	\$ 8,768,759	\$ 9,259,344	\$ 9,977,457	\$ 9,800,218	\$ 11,785,003
476.34%	515.66%	528.57%	536.53%	352.98%	525.94%
73.31%	75.26%	75.26%	75.10%	88.29%	76.68%

City of San Bruno
Required Supplementary Information
For the year ended June 30, 2023

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

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

Notes to the Schedule:

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

Methods and assumptions used to determine contribution rates:

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

(1) Level percentage of payroll, closed

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

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

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

2018	2019	2020	2021	2022	2023
\$ 3,682,068	\$ 4,282,040	\$ 4,978,130	\$ 5,482,002	\$ 6,153,419	\$ 6,866,039
(3,682,068)	(4,282,040)	(4,978,130)	(5,482,002)	(6,153,419)	(6,866,039)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,768,759	\$ 9,259,344	\$ 9,977,457	\$ 9,800,218	\$ 11,785,003	\$ 13,053,713
41.99%	46.25%	49.89%	55.94%	52.21%	52.60%

6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
(1)	(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
2.75%	2.75%	2.63%	2.50%	2.50%	2.50%
(2)	(2)	(2)	(2)	(2)	(2)
7.50%	7.375%	7.25%	7.00%	7.00%	7.00%
(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)

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resulting from the most recent CalPERS Experience Study adopted by the

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SUPPLEMENTARY INFORMATION

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City of San Bruno
Combining Balance Sheet
General Fund
June 30, 2023

	General Fund Operating and Reserves	Measure G	General Fund Totals
ASSETS			
Cash and investments	\$ 24,606,595	\$ 618,295	\$ 25,224,890
Cash and investments with fiscal agent	50,496	-	50,496
Receivables:			
Taxes	6,015,097	729,961	6,745,058
Accounts	69,757	-	69,757
Interest	647,297	-	647,297
Loans	1,089,120	-	1,089,120
Other	1,493,976	-	1,493,976
Due from other funds	1,450,548	-	1,450,548
Advances to other funds	16,679,225	-	16,679,225
Total assets	\$ 52,102,111	\$ 1,348,256	\$ 53,450,367
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	5,517,200	69	5,517,269
Unearned revenue	4,836,826	-	4,836,826
Other liabilities	1,102,681	-	1,102,681
Total liabilities	13,423,202	69	13,423,271
Fund Balances:			
Nonspendable	16,679,225	-	16,679,225
Assigned	15,910,896	-	15,910,896
Unassigned	6,088,788	1,348,187	7,436,975
Total fund balances	38,678,909	1,348,187	40,027,096
Total liabilities, deferred inflows of resources and fund balances	\$ 52,102,111	\$ 1,348,256	\$ 53,450,367

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

For the year ended June 30, 2023

	General Fund Operating and Reserves	Measure G	Intra-Fund Transactions Elimination	General Fund Totals
REVENUES:				
Taxes	\$ 40,165,206	\$ 4,041,677	\$ -	\$ 44,206,883
Licenses and permits	7,237,718	-	-	7,237,718
Intergovernmental	7,743,930	-	-	7,743,930
Charges for services	4,595,952	-	-	4,595,952
Fines and forfeitures	626,532	-	-	626,532
Use of money and property	(584,768)	-	-	(584,768)
Other revenues	5,864,628	-	-	5,864,628
Total revenues	65,649,198	4,041,677	-	69,690,875
EXPENDITURES:				
Current:				
General government	8,630,693	-	-	8,630,693
Public safety	34,306,350	-	-	34,306,350
Public works	2,053,186	-	-	2,053,186
Streets	2,055,155	-	-	2,055,155
Parks and recreation	5,443,772	-	-	5,443,772
Library	2,218,207	-	-	2,218,207
Community and economic development	3,198,317	-	-	3,198,317
Capital outlay	1,112,575	-	-	1,112,575
Total expenditures	59,018,255	-	-	59,018,255
REVENUES OVER (UNDER)				
EXPENDITURES	6,630,943	4,041,677	-	10,672,620
OTHER FINANCING SOURCES (USES):				
Transfers in	2,988,207	-	(60,000)	2,928,207
Transfers out	(14,810,702)	(6,110,000)	60,000	(20,860,702)
Capital contributions	-	-	-	-
Proceeds from sale of property	-	-	-	-
Loss on retirement of capital assets	-	-	-	-
Proceeds from long-term debt	690,702	-	-	690,702
Total other financing sources (uses)	(11,131,793)	(6,110,000)	-	(17,241,793)
Net change in fund balances	(4,500,850)	(2,068,323)	-	(6,569,173)
FUND BALANCES:				
Beginning of year	43,179,759	3,416,510	-	46,596,269
End of year	\$ 38,678,909	\$ 1,348,187	\$ -	\$ 40,027,096

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the year ended June 30, 2023

	General Fund Operating and Reserves			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ 30,018,661	\$ 30,918,661	\$ 40,165,206	\$ 9,246,545
Licenses and permits	5,413,525	6,198,525	7,237,718	1,039,193
Intergovernmental	11,994,104	12,036,602	7,743,930	(4,292,672)
Charges for services	3,226,000	3,111,769	4,595,952	1,484,183
Fines and forfeitures	1,080,250	1,080,250	626,532	(453,718)
Use of money and property	811,309	811,309	(584,768)	(1,396,077)
Other revenues	5,653,838	5,653,838	5,864,628	210,790
Total revenues	58,197,687	59,810,954	65,649,198	5,838,244
EXPENDITURES:				
Current:				
General government	8,239,531	9,949,247	8,630,693	1,318,554
Public safety	32,376,320	33,138,199	34,306,350	(1,168,151)
Public works	1,685,115	2,036,053	2,053,186	(17,133)
Streets	2,369,473	2,495,026	2,055,155	439,871
Parks and recreation	6,283,695	6,613,374	5,443,772	1,169,602
Library	2,281,280	2,307,280	2,218,207	89,073
Community and economic development	3,025,117	4,963,187	3,198,317	1,764,870
Capital outlay	581,100	1,635,036	1,112,575	522,461
Total expenditures	56,841,631	63,137,402	59,018,255	4,119,147
REVENUES OVER (UNDER) EXPENDITURES	1,356,056	(3,326,448)	6,630,943	9,957,391
OTHER FINANCING SOURCES (USES):				
Transfers in	2,473,671	3,102,108	2,988,207	(113,901)
Transfers out	(2,926,902)	(4,312,248)	(14,810,702)	(10,498,454)
Proceeds from sale of property	5,060,000	5,060,000	-	(5,060,000)
Total other financing sources (uses)	4,606,769	3,849,860	(11,131,793)	(14,981,653)
Net change in fund balances	\$ 5,962,825	\$ 523,412	(4,500,850)	\$ (5,024,262)
FUND BALANCES:				
Beginning of year			43,179,759	
End of year			\$ 38,678,909	

Measure G				Intrafund Eliminations	General Fund Totals			
Original Budget	Final Budget	Actual	Variance	Actual	Original Budget	Final Budget	Actual	Variance
\$ 3,763,212	\$ 3,763,212	\$ 4,041,677	\$ 278,465	\$ -	\$ 33,781,873	\$ 34,681,873	\$ 44,206,883	\$ 9,525,010
-	-	-	-	-	5,413,525	6,198,525	7,237,718	1,039,193
-	-	-	-	-	11,994,104	12,036,602	7,743,930	(4,292,672)
-	-	-	-	-	3,226,000	3,111,769	4,595,952	1,484,183
-	-	-	-	-	1,080,250	1,080,250	626,532	(453,718)
-	-	-	-	-	811,309	811,309	(584,768)	(1,396,077)
-	-	-	-	-	5,653,838	5,653,838	5,864,628	210,790
3,763,212	3,763,212	4,041,677	278,465	-	61,960,899	63,574,166	69,690,875	6,116,709
-	-	-	-	-	8,239,531	9,949,247	8,630,693	1,318,554
-	-	-	-	-	32,376,320	33,138,199	34,306,350	(1,168,151)
-	-	-	-	-	1,685,115	2,036,053	2,053,186	(17,133)
-	-	-	-	-	2,369,473	2,495,026	2,055,155	439,871
-	-	-	-	-	6,283,695	6,613,374	5,443,772	1,169,602
-	-	-	-	-	2,281,280	2,307,280	2,218,207	89,073
-	-	-	-	-	3,025,117	4,963,187	3,198,317	1,764,870
-	-	-	-	-	581,100	1,635,036	1,112,575	522,461
-	-	-	-	-	56,841,631	63,137,402	59,018,255	4,119,147
3,763,212	3,763,212	4,041,677	278,465	-	5,119,268	436,764	10,672,620	10,235,856
-	-	-	-	(60,000)	2,473,671	3,102,108	2,928,207	(173,901)
(60,000)	(60,000)	(6,110,000)	(6,050,000)	60,000	(2,986,902)	(4,372,248)	(20,860,702)	(16,488,454)
-	-	-	-	-	5,060,000	5,060,000	-	(5,060,000)
(60,000)	(60,000)	(6,110,000)	(6,050,000)	-	4,546,769	3,789,860	(17,241,793)	(21,031,653)
\$ 3,703,212	\$ 3,703,212	(2,068,323)	\$ (5,771,535)	-	\$ 9,666,037	\$ 4,226,624	(6,569,173)	\$ (10,795,797)

City of San Bruno
Combining Balance Sheet
Developer Agreements and Impact Fees Fund
June 30, 2023

	General Impact Fees	Affordable Housing	Community Services	Public Safety
ASSETS				
Cash and investments	\$ 10,242	\$ 10,170,357	\$ 6,873,598	\$ 633,528
Total assets	\$ 10,242	\$ 10,170,357	\$ 6,873,598	\$ 633,528
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	10,242	-	-	-
Deposits payable	-	362,746	-	-
Total liabilities	10,242	362,746	-	-
Fund Balances:				
Restricted	-	9,807,611	6,873,598	633,528
Assigned	-	-	-	-
Total fund balances	-	9,807,611	6,873,598	633,528
Total liabilities, deferred inflows of resources and fund balances	\$ 10,242	\$ 10,170,357	\$ 6,873,598	\$ 633,528

General Government	Transportation	Utilities Facilities	Bayhill Specific Plan Area	Community Benefit	Developer Agreements and Impact Fees Fund Totals
\$ 967,631	\$ 5,684,491	\$ 1,676,977	\$ 5,651,547	\$ 25,627,376	\$ 57,295,747
\$ 967,631	\$ 5,684,491	\$ 1,676,977	\$ 5,651,547	\$ 25,627,376	\$ 57,295,747
-	-	-	-	-	10,242
-	-	-	1,315,942	913,796	2,592,484
-	-	-	1,315,942	913,796	2,602,726
967,631	5,684,491	1,676,977	4,335,605	-	29,979,441
-	-	-	-	24,713,580	24,713,580
967,631	5,684,491	1,676,977	4,335,605	24,713,580	54,693,021
\$ 967,631	\$ 5,684,491	\$ 1,676,977	\$ 5,651,547	\$ 25,627,376	\$ 57,295,747

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Developer Agreements and Impact Fees Fund

For the year ended June 30, 2023

	General Impact Fees	Affordable Housing	Community Services	Public Safety
REVENUES:				
Licenses and permits	\$ 3,704,066	\$ 9,704,826	\$ 6,392,976	\$ 426,337
Use of money and property	22,901	102,785	65,269	4,353
Other revenues	-	-	-	-
Total revenues	3,726,967	9,807,611	6,458,245	430,690
EXPENDITURES:				
Current:				
General government	77,551	-	-	-
Total expenditures	77,551	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	3,649,416	9,807,611	6,458,245	430,690
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	415,353	202,838
Transfers out	(3,804,856)	-	-	-
Total other financing sources (uses)	(3,804,856)	-	415,353	202,838
Net change in fund balances	(155,440)	9,807,611	6,873,598	633,528
FUND BALANCES:				
Beginning of year	155,440	-	-	-
End of year	\$ -	\$ 9,807,611	\$ 6,873,598	\$ 633,528

General Government	Transportation	Utilities Facilities	Bayhill Specific Plan Area	Community Benefit	Intra-Fund Transactions Elimination	Developer Agreements and Impact Fees Fund Totals
\$ 691,578	\$ 5,149,372	\$ 1,271,632	\$ 4,278,489	\$ -	\$ -	\$ 31,619,276
7,061	52,573	12,983	57,116	258,999	-	584,040
-	-	-	-	24,454,581	-	24,454,581
698,639	5,201,945	1,284,615	4,335,605	24,713,580	-	56,657,897
-	-	-	-	-	-	77,551
-	-	-	-	-	-	77,551
698,639	5,201,945	1,284,615	4,335,605	24,713,580	-	56,580,346
268,992	482,546	392,362	-	-	(1,762,091)	-
-	-	-	-	-	1,762,091	(2,042,765)
268,992	482,546	392,362	-	-	-	(2,042,765)
967,631	5,684,491	1,676,977	4,335,605	24,713,580	-	54,537,581
-	-	-	-	-	-	155,440
\$ 967,631	\$ 5,684,491	\$ 1,676,977	\$ 4,335,605	\$ 24,713,580	\$ -	\$ 54,693,021

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Parks and Facilities and Technology Capital Improvement For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 200,000	\$ -	\$ (200,000)
Other revenues	-	17,065,530	22,918,053	5,852,523
Total revenues	-	17,265,530	22,918,053	5,652,523
EXPENDITURES:				
Current:				
Capital outlay	-	50,188,844	23,999,135	26,189,709
Total expenditures	-	50,188,844	23,999,135	26,189,709
REVENUES OVER (UNDER)				
EXPENDITURES	-	(32,923,314)	(1,081,082)	31,842,232
OTHER FINANCING SOURCES (USES):				
Transfers in	-	12,073,247	13,682,331	1,609,084
Transfers out	-	-	(1,799,938)	(1,799,938)
Total other financing sources (uses)	-	12,073,247	11,882,393	(190,854)
Net change in fund balances	\$ -	\$ (20,850,067)	10,801,311	\$ 31,651,378
FUND BALANCES:				
Beginning of year			(170,178)	
End of year			\$ 10,631,133	

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

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

Agency on Aging - Accounts for funds for senior services.

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

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

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

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

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

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

Bequests - Accounts for funds bequested to the City.

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

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

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

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

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

Capital Project Fund:

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

Debt Service Fund:

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

City of San Bruno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023 (with comparative totals for June 30, 2022)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$ 3,785,255	\$ 949	\$ -	\$ 394,645
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	-	-	297,427
Interest	-	-	-	-
Other	-	27,178	39,737	-
Other assets	-	-	-	-
Total assets	\$ 3,785,255	\$ 28,127	\$ 39,737	\$ 692,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	35,260	51,249	-
Due to other funds	-	-	1,450,548	-
Interest payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	35,260	1,501,797	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	3,785,255	-	-	692,072
Unassigned	-	(7,133)	(1,462,060)	-
Total fund balances	3,785,255	(7,133)	(1,462,060)	692,072
Total liabilities, deferred inflows of resources and fund balances	\$ 3,785,255	\$ 28,127	\$ 39,737	\$ 692,072

Special Revenue Funds					
Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Street	
\$ 970,267	\$ 112,253	\$ 460,144	\$ 3,530,717	\$ 79,298	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	39	-	-	
-	-	-	3,363,030	-	
\$ 970,267	\$ 112,253	\$ 460,183	\$ 6,893,747	\$ 79,298	
163,095	-	13,489	10,048	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
163,095	-	13,489	10,048	-	
-	-	-	3,177,900	-	
-	-	-	3,177,900	-	
807,172	112,253	446,694	3,705,799	79,298	
-	-	-	-	-	
807,172	112,253	446,694	3,705,799	79,298	
\$ 970,267	\$ 112,253	\$ 460,183	\$ 6,893,747	\$ 79,298	

City of San Bruno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023 (with comparative totals for June 30, 2022)

	Special Revenue Funds			
	City as Successor Housing Agency	Measure A Transportation Tax	Disaster Recovery Fund	Measure W Transportation Tax
ASSETS				
Cash and investments	\$ 700,649	\$ 938,623	\$ 13,261	\$ 776,518
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	-	-	98,848
Interest	-	-	-	-
Other	-	-	-	-
Other assets	-	-	-	-
Total assets	\$ 700,649	\$ 938,623	\$ 13,261	\$ 875,366
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	700,649	938,623	13,261	875,366
Unassigned	-	-	-	-
Total fund balances	700,649	938,623	13,261	875,366
Total liabilities, deferred inflows of resources and fund balances	\$ 700,649	\$ 938,623	\$ 13,261	\$ 875,366

Capital Projects Fund	Debt Service Fund	Nonmajor Funds Totals	
Street Improvement Capital Projects Fund	General	2023	2022
\$ 15,284,063	\$ 450	\$ 27,047,092	\$ 21,085,675
-	213	213	196
-	-	396,275	344,341
-	-	-	-
41,359	-	108,313	368,102
-	-	3,363,030	3,177,900
<u>\$ 15,325,422</u>	<u>\$ 663</u>	<u>\$ 30,914,923</u>	<u>\$ 24,976,214</u>
883,011	-	1,156,152	1,080,671
-	-	1,450,548	-
-	17,416	17,416	-
-	-	-	3,492,518
-	-	-	64,358
-	-	-	98,449
<u>883,011</u>	<u>17,416</u>	<u>2,624,116</u>	<u>4,735,996</u>
-	-	3,177,900	3,261,134
-	-	3,177,900	3,261,134
14,442,411	-	26,598,853	17,053,319
-	(16,753)	(1,485,946)	(74,235)
<u>14,442,411</u>	<u>(16,753)</u>	<u>25,112,907</u>	<u>16,979,084</u>
<u>\$ 15,325,422</u>	<u>\$ 663</u>	<u>\$ 30,914,923</u>	<u>\$ 24,976,214</u>

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	13,151	-	-	-
Intergovernmental	-	114,789	170,178	2,127,854
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	45,150	979	-	11,529
Other revenues	-	69,305	-	-
Total revenues	58,301	185,073	170,178	2,139,383
EXPENDITURES:				
Current:				
General government	-	-	1,742,018	-
Public safety	-	-	63,143	-
Streets	-	-	-	3,000
Parks and recreation	-	294,527	-	-
Library	-	-	2,842	-
Community and economic development	40,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	40,000	294,527	1,808,003	3,000
REVENUES OVER (UNDER)				
EXPENDITURES	18,301	(109,454)	(1,637,825)	2,136,383
OTHER FINANCING SOURCES (USES):				
Transfers in	375,000	-	250,000	284,460
Transfers out	-	(39,852)	-	(2,183,329)
Proceeds from long-term debt	-	-	-	-
Total other financing sources (uses)	375,000	(39,852)	250,000	(1,898,869)
Net change in fund balances	393,301	(149,306)	(1,387,825)	237,514
FUND BALANCES:				
Beginning of year	3,391,954	142,173	(74,235)	454,558
End of year	\$ 3,785,255	\$ (7,133)	\$ (1,462,060)	\$ 692,072

Special Revenue Funds				
Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Street
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,195,411	-
-	165,271	75,310	-	-
-	-	-	40,843	-
451,793	-	-	-	-
10,461	1,639	5,106	221,979	926
-	-	104,649	121,721	-
462,254	166,910	185,065	1,579,954	926
-	-	-	15,621	-
235,680	-	-	14,659	-
-	-	69,277	-	-
-	-	-	6,042	-
-	-	-	29,178	-
-	-	-	12,911	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
235,680	-	69,277	78,411	-
226,574	166,910	115,788	1,501,543	926
-	-	-	166,618	-
-	(200,000)	-	(352,544)	(106,000)
-	-	-	-	-
-	(200,000)	-	(185,926)	(106,000)
226,574	(33,090)	115,788	1,315,617	(105,074)
580,598	145,343	330,906	2,390,182	184,372
\$ 807,172	\$ 112,253	\$ 446,694	\$ 3,705,799	\$ 79,298

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Special Revenue Funds			
	City as Successor Housing Agency	Measure A Transportation Tax	Disaster Recovery Fund	Measure W Transportation Tax
REVENUES:				
Taxes	\$ -	\$ 1,223,868	\$ -	\$ 581,932
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	20,280	-	11,656
Other revenues	-	-	-	-
Total revenues	-	1,244,148	-	593,588
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Streets	-	-	-	-
Parks and recreation	-	-	-	-
Library	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	1,244,148	-	593,588
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(1,210,000)	(900,000)	(600,000)
Proceeds from long-term debt	-	-	-	-
Total other financing sources (uses)	-	(1,210,000)	(900,000)	(600,000)
Net change in fund balances	-	34,148	(900,000)	(6,412)
FUND BALANCES:				
Beginning of year	700,649	904,475	913,261	881,778
End of year	\$ 700,649	\$ 938,623	\$ 13,261	\$ 875,366

Capital Projects Fund		Debt Service Fund			
Street Improvement Capital Projects Fund		General		Nonmajor Funds Totals	
				2023	2022
\$	-	\$	-	\$ 1,805,800	\$ 1,921,217
	-		-	1,208,562	484,508
	695,341		-	3,348,743	2,410,086
	-		-	40,843	75,881
	-		-	451,793	171,668
	-		267	329,972	86,742
	46,880		-	342,555	(2,763,144)
	742,221		267	7,528,268	2,386,958
	-		-	1,757,639	74,721
	-		-	313,482	337,176
	-		-	72,277	114,947
	-		-	300,569	226,515
	-		-	32,020	23,034
	-		-	52,911	51,743
	3,160,857		-	3,160,857	2,746,540
	-		1,446,246	1,446,246	1,357,151
	-		290,595	290,595	277,303
	3,160,857		1,736,841	7,426,596	5,209,130
	(2,418,636)		(1,736,574)	101,672	(2,822,172)
	11,273,503		1,719,625	14,069,206	5,653,321
	(289,890)		-	(5,881,615)	(7,406,451)
	-		-	-	1,600,000
	10,983,613		1,719,625	8,187,591	(153,130)
	8,564,977		(16,949)	8,289,263	(2,975,302)
	5,877,434		196	16,823,644	19,954,386
\$	14,442,411	\$	(16,753)	\$ 25,112,907	\$ 16,979,084

City of San Bruno

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

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 10,299,102	\$ 10,299,102	\$ 13,151	\$ (10,285,951)
Use of money and property	45,000	45,000	45,150	150
Total revenues	10,344,102	10,344,102	58,301	(10,285,801)
EXPENDITURES:				
Current:				
Community and economic development	112,350	122,350	40,000	82,350
Total expenditures	112,350	122,350	40,000	82,350
REVENUES OVER (UNDER)				
EXPENDITURES	10,231,752	10,221,752	18,301	(10,203,451)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	375,000	375,000	-
Total other financing sources (uses)	-	375,000	375,000	-
Net change in fund balances	\$ 10,231,752	\$ 10,596,752	393,301	\$ (10,203,451)
FUND BALANCES:				
Beginning of year			3,391,954	
End of year			\$ 3,785,255	

City of San Bruno

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

Agency on Aging

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 142,892	\$ 142,892	\$ 114,789	\$ (28,103)
Use of money and property	300	300	979	679
Other revenues	68,500	68,500	69,305	805
Total revenues	211,692	211,692	185,073	(26,619)
EXPENDITURES:				
Current:				
Parks and recreation	219,518	219,518	294,527	(75,009)
Total expenditures	219,518	219,518	294,527	(75,009)
REVENUES OVER (UNDER)				
EXPENDITURES	(7,826)	(7,826)	(109,454)	(101,628)
OTHER FINANCING SOURCES (USES):				
Transfers out	(55,000)	(55,000)	(39,852)	15,148
Total other financing sources (uses)	(55,000)	(55,000)	(39,852)	15,148
Net change in fund balances	\$ (62,826)	\$ (62,826)	(149,306)	\$ (86,480)
FUND BALANCES:				
Beginning of year			142,173	
End of year			\$ (7,133)	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Federal/State Grants For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 175,455	\$ 170,178	\$ (5,277)
Total revenues	-	175,455	170,178	(5,277)
EXPENDITURES:				
Current:				
General government	-	250,000	1,742,018	(1,492,018)
Public safety	-	177,785	63,143	114,642
Library	-	-	2,842	(2,842)
Total expenditures	-	427,785	1,808,003	(1,380,218)
REVENUES OVER (UNDER)				
EXPENDITURES	-	(252,330)	(1,637,825)	(1,385,495)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	250,000	250,000	-
Total other financing sources (uses)	-	250,000	250,000	-
Net change in fund balances	\$ -	\$ (2,330)	(1,387,825)	\$ (1,385,495)
FUND BALANCES:				
Beginning of year			(74,235)	
End of year			\$ (1,462,060)	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Gas Tax For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,245,154	\$ 2,245,154	\$ 2,127,854	\$ (117,300)
Use of money and property	5,000	5,000	11,529	6,529
Total revenues	2,250,154	2,250,154	2,139,383	(110,771)
EXPENDITURES:				
Current:				
Streets	2,800	2,800	3,000	(200)
Total expenditures	2,800	2,800	3,000	(200)
REVENUES OVER (UNDER)				
EXPENDITURES	2,247,354	2,247,354	2,136,383	(110,971)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	284,460	284,460
Transfers out	(850,000)	(850,000)	(2,183,329)	(1,333,329)
Total other financing sources (uses)	(850,000)	(850,000)	(1,898,869)	(1,048,869)
Net change in fund balances	\$ 1,397,354	\$ 1,397,354	237,514	\$ (1,159,840)
FUND BALANCES:				
Beginning of year			454,558	
End of year			<u>\$ 692,072</u>	

City of San Bruno

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

Police Asset Seizure

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ 103,000	\$ 103,000	\$ 451,793	\$ 348,793
Use of money and property	500	500	10,461	9,961
Total revenues	103,500	103,500	462,254	358,754
EXPENDITURES:				
Current:				
Public safety	216,762	269,223	235,680	33,543
Total expenditures	216,762	269,223	235,680	33,543
REVENUES OVER (UNDER)				
EXPENDITURES	(113,262)	(165,723)	226,574	392,297
Net change in fund balances	\$ (113,262)	\$ (165,723)	226,574	\$ 392,297
FUND BALANCES:				
Beginning of year			580,598	
End of year			\$ 807,172	

City of San Bruno

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

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 165,271	\$ 20,271
Use of money and property	1,000	1,000	1,639	639
Total revenues	146,000	146,000	166,910	20,910
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
Net change in fund balances	\$ (54,000)	\$ (54,000)	(33,090)	\$ 20,910
FUND BALANCES:				
Beginning of year			145,343	
End of year			<u>\$ 112,253</u>	

City of San Bruno

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

SB 322 Recycling/Litter Clean-up

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 11,500	\$ 11,500	\$ 75,310	\$ 63,810
Use of money and property	2,500	2,500	5,106	2,606
Other revenues	91,000	91,000	104,649	13,649
Total revenues	105,000	105,000	185,065	80,065
EXPENDITURES:				
Current:				
Streets	122,957	122,957	69,277	53,680
Total expenditures	122,957	122,957	69,277	53,680
REVENUES OVER (UNDER)				
EXPENDITURES	(17,957)	(17,957)	115,788	133,745
Net change in fund balances	\$ (17,957)	\$ (17,957)	115,788	\$ 133,745
FUND BALANCES:				
Beginning of year			330,906	
End of year			\$ 446,694	

City of San Bruno

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

Restricted Revenues

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	\$ 240,000	\$ 240,000	\$ 1,195,411	\$ 955,411
Charges for services	40,000	40,000	40,843	843
Use of money and property	12,000	12,000	221,979	209,979
Other revenues	87,000	87,000	121,721	34,721
Total revenues	379,000	379,000	1,579,954	1,200,954
EXPENDITURES:				
Current:				
General government	18,700	18,700	15,621	3,079
Public safety	-	7,720	14,659	(6,939)
Parks and recreation	8,000	8,000	6,042	1,958
Library	20,100	20,100	29,178	(9,078)
Community and economic development	19,400	31,400	12,911	18,489
Total expenditures	66,200	85,920	78,411	7,509
REVENUES OVER (UNDER)				
EXPENDITURES	312,800	293,080	1,501,543	1,208,463
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	166,618	166,618
Transfers out	-	(154,500)	(352,544)	(198,044)
Total other financing sources (uses)	-	(154,500)	(185,926)	(31,426)
Net change in fund balances	\$ 312,800	\$ 138,580	1,315,617	\$ 1,177,037
FUND BALANCES:				
Beginning of year			2,390,182	
End of year			\$ 3,705,799	

City of San Bruno

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

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 926	\$ 426
Total revenues	500	500	926	426
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(106,000)	(106,000)
Total other financing sources (uses)	-	-	(106,000)	(106,000)
Net change in fund balances	<u>\$ 500</u>	<u>\$ 500</u>	(105,074)	<u>\$ (105,574)</u>
FUND BALANCES:				
Beginning of year			184,372	
End of year			<u>\$ 79,298</u>	

City of San Bruno

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

City as Successor Housing Agency

For the year ended June 30, 2023

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

City of San Bruno

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

Measure A Transportation Tax

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,127,788	\$ 1,127,788	\$ 1,223,868	\$ 96,080
Use of money and property	5,000	5,000	20,280	15,280
Total revenues	1,132,788	1,132,788	1,244,148	111,360
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(80,000)	(1,210,000)	(1,130,000)
Total other financing sources (uses)	-	(80,000)	(1,210,000)	(1,130,000)
Net change in fund balances	\$ 1,132,788	\$ 1,052,788	34,148	\$ (1,018,640)
FUND BALANCES:				
Beginning of year			904,475	
End of year			<u>\$ 938,623</u>	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Disaster Recovery Fund For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
OTHER FINANCING SOURCES (USES):				
Transfers out	\$ -	\$ -	\$ (900,000)	\$ (900,000)
Total other financing sources (uses)	-	-	(900,000)	(900,000)
Net change in fund balances	\$ -	\$ -	(900,000)	\$ (900,000)
FUND BALANCES:				
Beginning of year			913,261	
End of year			\$ 13,261	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure W Transportation Tax For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 501,239	\$ 501,239	\$ 581,932	\$ 80,693
Use of money and property	2,500	2,500	11,656	9,156
Total revenues	503,739	503,739	593,588	89,849
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(600,000)	(600,000)
Total other financing sources (uses)	-	-	(600,000)	(600,000)
Net change in fund balances	\$ 503,739	\$ 503,739	(6,412)	\$ (510,151)
FUND BALANCES:				
Beginning of year			881,778	
End of year			<u>\$ 875,366</u>	

City of San Bruno

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

Street Improvement Capital Projects Fund

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 205,635	\$ 695,341	\$ 489,706
Other revenues	-	616,016	46,880	(569,136)
Total revenues	-	821,651	742,221	(79,430)
EXPENDITURES:				
Current:				
Capital outlay	-	24,106,592	3,160,857	20,945,735
Total expenditures	-	24,106,592	3,160,857	20,945,735
REVENUES OVER (UNDER)				
EXPENDITURES	-	(23,284,941)	(2,418,636)	20,866,305
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,175,645	11,273,503	2,097,858
Transfers out	-	-	(289,890)	(289,890)
Total other financing sources (uses)	-	9,175,645	10,983,613	1,807,968
Net change in fund balances	\$ -	\$ (14,109,296)	8,564,977	\$ 22,674,273
FUND BALANCES:				
Beginning of year			5,877,434	
End of year			\$ 14,442,411	

City of San Bruno

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

General Debt Service Fund

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 267	\$ 267
Total revenues	-	-	267	267
EXPENDITURES:				
Current:				
Debt service:				
Principal	1,442,171	1,442,171	1,446,246	(4,075)
Interest and fiscal charges	284,338	284,338	290,595	(6,257)
Total expenditures	1,726,509	1,726,509	1,736,841	(10,332)
REVENUES OVER (UNDER)				
EXPENDITURES	(1,726,509)	(1,726,509)	(1,736,574)	(10,065)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,719,625	1,719,625
Total other financing sources (uses)	-	-	1,719,625	1,719,625
Net change in fund balances	\$ (1,726,509)	\$ (1,726,509)	(16,949)	\$ 1,709,560
FUND BALANCES:				
Beginning of year			196	
End of year			\$ (16,753)	

INTERNAL SERVICE FUNDS

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

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

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

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

City of San Bruno
Combining Statement of Net Position
Internal Service Funds
June 30, 2023 (with comparative totals for June 30, 2022)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$ (999)	\$ 2,030,503	\$ 555,338	\$ 159,420
Cash and investments with fiscal agent	-	91,119	-	-
Receivables:				
Accounts	-	449	-	-
Total current assets	(999)	2,122,071	555,338	159,420
Noncurrent:				
Capital assets:				
Depreciable capital assets	-	-	24,640	146,679
Accumulated depreciation	-	-	(24,640)	(34,454)
Net capital assets	-	-	-	112,225
Total noncurrent assets	-	-	-	112,225
Total assets	(999)	2,122,071	555,338	271,645
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	51,112	212,614	61,758	84,571
Compensated absences - current	3,562	-	4,538	18,301
Claims and judgements - current	-	1,118,000	-	-
Total current liabilities	54,674	1,330,614	66,296	102,872
Noncurrent liabilities:				
Compensated absences	5,726	-	22,693	72,462
Claims payable	-	3,905,000	-	-
Total noncurrent liabilities	5,726	3,905,000	22,693	72,462
Total liabilities	60,400	5,235,614	88,989	175,334
NET POSITION				
Net investment in capital assets	-	-	-	112,225
Unrestricted	(61,399)	(3,113,543)	466,349	(15,914)
Total net position	\$ (61,399)	\$ (3,113,543)	\$ 466,349	\$ 96,311

Totals			
2023		2022	
\$	2,744,262	\$	2,781,517
	91,119		91,119
	449		-
	2,835,830		2,872,636
	171,319		52,493
	(59,094)		(51,166)
	112,225		1,327
	112,225		1,327
	2,948,055		2,873,963
	410,055		389,732
	26,401		23,936
	1,118,000		1,545,000
	1,554,456		1,958,668
	100,881		69,816
	3,905,000		3,483,000
	4,005,881		3,552,816
	5,560,337		5,511,484
	112,225		1,327
	(2,724,507)		(2,638,848)
\$	(2,612,282)	\$	(2,637,521)

City of San Bruno

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
OPERATING REVENUES:				
Charges for services:				
Other service charges	\$ 713,120	\$ 3,408,873	\$ 1,627,641	\$ 1,551,199
Other operating revenue	-	649	-	-
Total operating revenues	713,120	3,409,522	1,627,641	1,551,199
OPERATING EXPENSES:				
Central garage	971,084	-	-	-
Insurance expenses	-	3,059,462	-	-
Technology support	-	-	1,315,296	-
Facilities maintenance	-	-	-	1,922,473
Depreciation and amortization	-	-	-	7,928
Total operating expenses	971,084	3,059,462	1,315,296	1,930,401
Operating income (loss)	(257,964)	350,060	312,345	(379,202)
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	-	-	-
Total contributions and transfers	-	-	-	-
Change in net position	(257,964)	350,060	312,345	(379,202)
NET POSITION:				
Beginning of year	196,565	(3,463,603)	154,004	475,513
End of year	\$ (61,399)	\$ (3,113,543)	\$ 466,349	\$ 96,311

Totals	
2023	2022
\$ 7,300,833	\$ 6,497,974
649	-
7,301,482	6,497,974
971,084	744,855
3,059,462	2,438,620
1,315,296	1,268,418
1,922,473	1,917,707
7,928	3,978
7,276,243	6,373,578
25,239	124,396
-	443,439
-	443,439
25,239	567,835
(2,637,521)	(3,205,356)
\$ (2,612,282)	\$ (2,637,521)

City of San Bruno
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2023 (with comparative totals for June 30, 2022)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 713,120	\$ 3,408,424	\$ 1,627,641	\$ 1,551,199
Cash payments to suppliers for goods and services	(966,617)	(2,947,108)	(1,307,549)	(1,998,188)
Cash reimbursements for loss claims	-	649	-	-
Net cash provided by (used in) operating activities	(253,497)	461,965	320,092	(446,989)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received from other funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets				(118,826)
Net cash provided by (used in) capital and related financing activities	-	-	-	(118,826)
Net cash flows	(253,497)	461,965	320,092	(565,815)
CASH AND INVESTMENTS - Beginning of year	252,498	1,659,657	235,246	725,235
CASH AND INVESTMENTS - End of year	\$ (999)	\$ 2,121,622	\$ 555,338	\$ 159,420
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (257,964)	\$ 350,060	\$ 312,345	\$ (379,202)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	-	7,928
(Increase) decrease in current assets:				
Accounts receivable	-	(449)	-	-
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(1,283)	117,354	19,022	(114,770)
Compensated absences	5,750	-	(11,275)	39,055
Claims liability	-	(5,000)	-	-
Net cash provided by (used in) operating activities	\$ (253,497)	\$ 461,965	\$ 320,092	\$ (446,989)

Totals			
2023		2022	
\$	7,300,384	\$	6,532,656
	(7,219,462)		(6,788,018)
	649		-
	81,571		(255,362)
	-		443,439
	-		443,439
	(118,826)		-
	(118,826)		-
	(37,255)		188,077
	2,872,636		2,684,559
\$	2,835,381	\$	2,872,636
\$	25,239		124,396
	7,928		3,978
	(449)		34,682
	20,323		89,043
	33,530		(123,461)
	(5,000)		(384,000)
\$	81,571	\$	(255,362)

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Statistical Section

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CITY OF SAN BRUNO
JUNE 30, 2023

STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

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

1. Full-Time Equivalent City Government Employees by Function/Program
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

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

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

	2014	2015	2016	2017	2018
<i>Governmental activities</i>					
Net investments in capital assets	\$ 50,124,094	\$ 47,667,730	\$ 50,836,407	\$ 54,014,157	\$ 59,084,356
Restricted	10,612,672	16,592,413	12,444,902	15,727,642	18,264,533
Unrestricted	(3,967,832)	(35,591,299)	(34,557,594)	(42,133,843)	(41,778,351)
Total governmental activities net position	<u>\$ 56,768,934</u>	<u>\$ 28,668,844</u>	<u>\$ 28,723,715</u>	<u>\$ 27,607,956</u>	<u>\$ 35,570,538</u>
<i>Business-type activities</i>					
Net investments in capital assets	\$ 46,715,688	\$ 57,076,442	\$ 67,316,388	\$ 70,539,432	\$ 37,167,066
Restricted					\$ 40,979,572
Unrestricted	24,822,052	11,218,527	7,002,450	14,463,523	12,485,588
Total business-type activities net position	<u>\$ 71,537,740</u>	<u>\$ 68,294,969</u>	<u>\$ 74,318,838</u>	<u>\$ 85,002,955</u>	<u>\$ 90,632,226</u>
<i>Primary government</i>					
Net investments in capital assets	\$ 96,839,782	\$ 104,744,172	\$ 118,152,795	\$ 124,553,589	\$ 96,251,422
Restricted	10,612,672	16,592,413	12,444,902	15,727,642	18,264,533
Unrestricted	20,854,220	(24,372,772)	(27,555,144)	(27,670,320)	(29,292,763)
Total primary government net position	<u>\$ 128,306,674</u>	<u>\$ 96,963,813</u>	<u>\$ 103,042,553</u>	<u>\$ 112,610,911</u>	<u>\$ 85,223,192</u>
	2019	2020	2021	2022	2023
<i>Governmental activities</i>					
Net investments in capital assets	\$ 66,352,484	\$ 69,271,484	\$68,788,202	\$ 80,545,096	\$ 102,207,599
Restricted	18,534,689	22,102,576	22,782,488	53,426,528	75,224,281
Unrestricted	(47,316,623)	(55,052,523)	(50,077,211)	(70,032,132)	(18,552,818)
Total governmental activities net position	<u>\$ 37,570,550</u>	<u>\$ 36,321,537</u>	<u>\$ 41,493,479</u>	<u>\$ 63,939,492</u>	<u>\$ 158,879,062</u>
<i>Business-type activities</i>					
Net investments in capital assets	\$ 42,964,412	\$ 53,787,761	\$ 58,888,940	\$ 58,458,807	\$ 65,375,009
Restricted	\$ 27,693,026	15,720,390	4,123,199	1,918,591	1,936,756
Unrestricted	30,544,816	41,095,816	57,332,179	70,033,202	67,436,852
Total business-type activities net position	<u>\$ 101,202,254</u>	<u>\$ 110,603,967</u>	<u>\$ 120,344,318</u>	<u>\$ 130,410,600</u>	<u>\$ 134,748,617</u>
<i>Primary government</i>					
Net investments in capital assets	\$ 109,316,896	\$ 123,059,245	\$ 127,677,142	\$ 139,003,903	\$ 167,582,608
Restricted	46,227,715	37,822,966	26,905,687	55,345,119	77,161,037
Unrestricted	(16,771,807)	(13,956,707)	7,254,968	1,070	48,884,034
Total primary government net position	<u>\$ 138,772,804</u>	<u>\$ 146,925,504</u>	<u>\$ 161,837,797</u>	<u>\$ 194,350,092</u>	<u>\$ 293,627,679</u>

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

	2014	2015	2016
Expenses			
Governmental activities:			
General government	\$ 12,129,370	\$ 10,813,390	\$ 6,632,727
Public safety	19,836,376	21,206,573	24,334,371
Public works	850,759	863,706	929,223
Highways and streets	2,891,219	3,009,303	3,450,979
Parks and recreation	4,717,561	5,562,181	5,611,296
Library	1,685,455	1,731,305	1,799,797
Community development	1,888,260	2,265,895	2,526,383
Interest expense	267,977	416,914	403,839
Total governmental activities expenses	<u>44,266,977</u>	<u>45,869,267</u>	<u>45,688,615</u>
Business-type activities:			
Water	8,770,677	9,378,993	10,098,091
Stormwater	739,512	905,074	607,817
Wastewater	9,427,956	10,265,939	10,921,203
Cable Television	10,508,595	11,002,694	11,240,247
Parking	-	-	-
Total business-type activities expenses	<u>29,446,740</u>	<u>31,552,700</u>	<u>32,867,358</u>
Total primary government expenses	<u><u>\$ 73,713,717</u></u>	<u><u>\$ 77,421,967</u></u>	<u><u>\$ 78,555,973</u></u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 2,923,789	\$ 2,837,224	\$ 3,468,619
Public safety	1,632,659	1,637,659	1,906,214
Public works	104,982	86,752	165,037
Highways and streets	19,985	17,977	17,204
Parks and recreation	1,359,079	1,471,537	1,490,268
Library	92,227	96,969	86,593
Community development	988,285	1,759,620	1,547,278
Operating grants and contributions	9,527,246	11,433,248	3,053,574
Capital grants and contributions	88,658	391,523	227,381
Total governmental activities program revenues	<u>16,736,910</u>	<u>19,732,509</u>	<u>11,962,168</u>
Business-type activities:			
Charges for services:			
Water	15,041,156	12,304,017	12,688,039
Stormwater	1,474,221	839,852	652,195
Wastewater	15,470,139	15,016,113	15,879,501
Cable Television	9,329,485	9,288,345	9,253,900
Total business-type activities program revenues	<u>41,315,001</u>	<u>37,448,327</u>	<u>38,473,635</u>
Total primary government program revenues	<u><u>\$ 58,051,911</u></u>	<u><u>\$ 57,180,836</u></u>	<u><u>\$ 50,435,803</u></u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 7,944,081	\$ 8,186,106	\$ 8,429,310	\$ 9,606,933	\$ 8,441,787	\$ 6,413,721	\$ 12,014,857
25,201,102	27,448,567	29,772,551	31,788,329	32,515,036	32,410,681	28,793,275
1,032,599	1,797,113	2,332,672	1,566,728	3,131,204	1,618,481	2,059,383
4,001,200	3,512,681	3,505,727	4,224,797	4,081,082	4,949,093	7,012,289
5,929,836	6,156,634	6,147,260	5,817,710	4,814,770	6,574,959	6,179,928
1,937,465	2,094,990	2,093,683	2,458,480	2,298,623	2,156,600	2,287,233
2,791,309	2,887,538	2,955,685	3,057,191	2,652,300	2,857,883	3,249,383
387,374	380,311	388,594	373,262	324,944	296,821	270,665
<u>49,224,966</u>	<u>52,463,940</u>	<u>55,625,482</u>	<u>58,893,430</u>	<u>58,259,746</u>	<u>57,278,239</u>	<u>61,867,013</u>
9,717,392	11,416,387	11,290,539	12,137,204	12,697,845	11,643,075	16,179,423
606,627	1,011,466	1,677,767	2,287,138	1,375,960	1,641,787	2,042,242
12,033,285	12,380,908	11,781,728	12,926,033	12,879,291	12,989,348	15,117,460
11,655,651	12,492,354	12,183,104	11,053,095	9,927,716	9,440,513	9,073,317
-	-	-	-	-	-	2,490
<u>34,012,955</u>	<u>37,301,115</u>	<u>36,933,138</u>	<u>38,403,470</u>	<u>36,880,812</u>	<u>35,714,723</u>	<u>42,414,932</u>
<u>\$ 83,237,921</u>	<u>\$ 89,765,055</u>	<u>\$ 92,558,620</u>	<u>\$ 97,296,900</u>	<u>\$ 95,140,558</u>	<u>\$ 92,992,962</u>	<u>\$104,281,945</u>
\$ 3,534,173	\$ 3,693,098	\$ 3,713,293	\$ 3,859,492	4,735,876	\$ 5,362,419	\$ 5,262,092
2,019,187	2,275,753	2,551,241	2,120,724	2,134,812	3,290,386	3,924,353
475,379	308,461	301,330	421,557	708,024	574,911	342,698
16,500	17,092	17,228	17,474	17,900	18,000	18,700
1,533,722	1,482,588	1,683,629	742,258	283,124	1,271,240	370,336
92,709	93,014	26,855	17,101	772	6,756	8,444
1,832,185	1,847,569	2,635,631	2,860,417	2,704,804	3,653,585	38,159,877
7,352,434	13,445,214	6,440,037	2,231,014	7,722,800	5,881,477	33,764,892
133,241	1,408,402	1,936,614	7,735,245	3,108,476	10,342,801	23,660,274
<u>16,989,530</u>	<u>24,571,191</u>	<u>19,305,858</u>	<u>20,005,282</u>	<u>21,416,588</u>	<u>30,401,575</u>	<u>105,511,666</u>
14,251,650	15,312,217	17,037,634	16,936,737	17,777,900	16,774,287	16,964,116
1,035,641	645,507	648,323	650,555	655,608	1,054,326	935,728
15,803,116	16,748,382	17,732,648	18,230,960	18,470,837	19,378,136	19,526,658
9,880,781	9,983,780	9,739,499	9,303,573	9,017,048	8,566,131	8,267,064
<u>40,971,188</u>	<u>42,689,886</u>	<u>45,158,104</u>	<u>45,121,825</u>	<u>45,921,393</u>	<u>45,772,880</u>	<u>45,693,566</u>
<u>\$ 57,960,718</u>	<u>\$ 67,261,077</u>	<u>\$ 64,463,962</u>	<u>\$ 65,127,107</u>	<u>\$ 67,337,981</u>	<u>\$ 76,174,455</u>	<u>\$151,205,232</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net Revenues (Expenses)			
Governmental activities	\$(27,530,067)	\$(26,136,758)	\$(33,726,447)
Business-type activities	11,868,261	5,895,627	5,606,277
Total net revenues (expenses)	<u>\$ (15,661,806)</u>	<u>\$ (20,241,131)</u>	<u>\$ (28,120,170)</u>
 General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	\$ 8,197,205	\$ 8,844,431	\$ 9,500,264
Transient occupancy tax	2,790,395	3,162,479	3,316,369
Franchise tax	1,957,795	2,125,938	1,960,997
Sales tax, including subvention	8,547,806	8,556,002	8,377,896
Cardroom taxes	1,652,904	1,694,580	1,735,696
Other taxes	3,267,636	2,867,616	2,514,851
Intergovernmental:			
State motor vehicle in-lieu tax, including subvention	3,503,097	3,764,990	4,016,571
State highway user tax	1,370,767	1,270,588	976,525
Use of money and property	1,678,676	1,596,447	1,640,673
Miscellaneous and extraordinary items	(204,035)	274,320	-
Transfers	(3,064,452)	(1,768,413)	(258,524)
Total governmental activities	<u>29,697,794</u>	<u>32,388,978</u>	<u>33,781,318</u>
Business-type activities:			
Use of money and property	242,863	174,855	159,068
Transfers	3,064,452	1,768,413	258,524
Total business-type activities	<u>3,307,315</u>	<u>1,943,268</u>	<u>417,592</u>
Total primary government	<u>\$ 33,005,109</u>	<u>\$ 34,332,246</u>	<u>\$ 34,198,910</u>
 Change in Net Position			
Governmental activities	\$ 2,167,727	\$ 6,252,220	\$ 54,871
Business-type activities	15,175,576	7,838,895	6,023,868
Total primary government	<u>\$ 17,343,303</u>	<u>\$ 14,091,115</u>	<u>\$ 6,078,739</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$(32,235,436)	\$(27,892,749)	\$(36,319,624)	\$(38,888,148)	\$(36,843,158)	\$(26,876,664)	\$ 43,644,653
6,958,233	5,388,771	8,224,966	6,718,355	9,040,581	10,058,157	3,278,634
<u>\$ (25,277,203)</u>	<u>\$ (22,503,978)</u>	<u>\$ (28,094,658)</u>	<u>\$ (32,169,793)</u>	<u>\$ (27,802,577)</u>	<u>\$ (16,818,507)</u>	<u>\$ 46,923,287</u>
\$ 9,968,404	\$ 10,515,309	\$ 11,846,367	\$ 12,212,891	\$ 12,618,447	\$ 14,532,727	\$ 14,931,681
3,286,913	3,424,660	3,628,979	2,617,524	1,247,467	2,408,999	3,459,947
1,823,810	1,835,943	1,839,359	1,861,256	1,798,673	1,624,176	1,705,417
8,777,377	8,332,044	8,764,449	9,281,920	17,780,042	21,549,194	20,928,603
1,781,208	1,843,532	1,904,512	1,974,980	2,035,009	2,220,592	3,181,236
2,492,886	2,607,258	2,213,593	1,972,392	2,045,462	2,277,785	2,219,479
4,329,287	4,576,283	4,909,295	5,013,326	3,180,581	7,646,019	5,314,866
887,258	1,243,782	1,811,108	1,844,231	1,852,026	-	-
1,248,861	1,159,121	2,121,974	2,130,318	(341,249)	(6,715,096)	(541,036)
-	-	-	-	-	-	-
(3,476,327)	317,399	(720,000)	(1,269,703)	(201,358)	600,381	94,724
<u>31,119,677</u>	<u>35,855,331</u>	<u>38,319,636</u>	<u>37,639,135</u>	<u>42,015,100</u>	<u>46,144,777</u>	<u>51,294,917</u>
249,557	557,899	1,625,062	1,413,655	498,412	608,506	1,154,107
3,476,327	(317,399)	720,000	1,269,703	201,358	(600,381)	(94,724)
<u>3,725,884</u>	<u>240,500</u>	<u>2,345,062</u>	<u>2,683,358</u>	<u>699,770</u>	<u>8,125</u>	<u>1,059,383</u>
<u>\$ 34,845,561</u>	<u>\$ 36,095,831</u>	<u>\$ 40,664,698</u>	<u>\$ 40,322,493</u>	<u>\$ 42,714,870</u>	<u>\$ 46,152,902</u>	<u>\$ 52,354,300</u>
\$ (1,115,759)	\$ 7,962,582	\$ 2,000,012	\$ (1,249,013)	\$ 5,171,942	\$ 19,268,113	\$ 94,939,570
10,684,117	5,629,271	10,570,028	9,401,713	9,740,351	10,066,282	4,338,017
<u>\$ 9,568,358</u>	<u>\$ 13,591,853</u>	<u>\$ 12,570,040</u>	<u>\$ 8,152,700</u>	<u>\$ 14,912,293</u>	<u>\$ 29,334,395</u>	<u>\$ 99,277,587</u>

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

		Fiscal Year June 30,				
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund						
Nonspendable	\$	586,650	\$ 690,344	\$ 3,529,925	\$ 2,749,851	\$ 1,657,895
Restricted	-	-	-	-	-	-
Committed	-	-	-	19,639,289	15,726,434	20,306,330
Assigned	254,698	188,263	2,130,681	265,888	143,505	
Unassigned	10,096,649	11,023,626	3,552,485	5,833,164	6,050,669	
Total general fund		<u>\$10,937,997</u>	<u>\$11,902,233</u>	<u>\$28,852,380</u>	<u>\$24,575,337</u>	<u>\$28,158,399</u>
All Other Governmental Funds						
Nonspendable	\$	-	\$ -	\$ 90,000	\$ 90,000	\$ -
Restricted	10,612,672	14,762,188	12,444,902	15,727,642	18,264,533	
Committed	10,689,500	10,240,271	3,059,683	3,082,506	3,216,534	
Unassigned	(42,705)	(80,929)	0	-	(719)	
Total all other governmental funds		<u>\$21,259,467</u>	<u>\$24,921,530</u>	<u>\$15,594,585</u>	<u>\$18,900,148</u>	<u>\$21,480,348</u>
		Fiscal year June 30,				
		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund:						
Nonspendable	\$	-	\$ -	\$14,415,651	\$15,316,895	\$16,679,225
Restricted	-	-	-	-	-	-
Committed	21,462,554	21,109,020	-	-	-	-
Assigned	1,101,021	611,383	30,408,528	26,045,126	15,910,896	
Unassigned	6,590,744	5,644,420	(9,442,918)	5,234,248	7,436,975	
Total general fund		<u>\$29,154,319</u>	<u>\$27,364,823</u>	<u>\$35,381,261</u>	<u>\$46,596,269</u>	<u>\$40,027,096</u>
All other governmental funds:						
Non-spendable	\$	-	\$ -	\$ -	\$ -	\$ -
Restricted	18,501,668	22,102,576	22,782,488	53,426,528	75,224,281	
Assigned	-	-	-	-	24,713,580	
Unassigned	-	-	(16,928)	(36,617,622)	(9,500,800)	
Total all other governmental funds		<u>\$18,501,668</u>	<u>\$22,102,576</u>	<u>\$22,765,560</u>	<u>\$16,808,906</u>	<u>\$90,437,061</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues			
Taxes	\$ 24,954,783	\$ 26,085,900	\$ 26,272,319
Licenses and permits	4,255,588	3,691,818	3,451,841
Intergovernmental	4,009,117	4,574,638	4,787,432
Charges for services	2,826,577	3,134,354	3,398,555
Fines and Forfeitures	654,000	605,704	698,463
Use of money and property	1,678,676	1,618,634	1,674,729
Other revenues	11,324,450	10,489,406	8,467,574
Total revenues:	<u>49,703,191</u>	<u>50,200,454</u>	<u>48,750,913</u>
Expenditures			
General Government	8,955,056	8,091,630	5,966,987
Public safety	19,851,466	21,894,204	22,978,100
Public works	856,559	1,028,427	895,218
Highways and streets	3,689,780	1,736,206	1,537,442
Parks and recreation	4,453,981	5,493,030	5,301,162
Library	1,631,084	1,724,112	1,758,937
Community Development	1,872,127	2,268,181	2,509,152
Capital outlay	360,076	225,737	5,137,379
Debt service:			
Principal	807,336	818,289	829,272
Interest	410,689	399,660	386,635
Total expenditures	<u>42,888,154</u>	<u>43,679,476</u>	<u>47,300,284</u>
Reconciliation of Government Revenues			
Less expenditures to fund equity			
Revenues over (under) expenditures	6,815,037	6,520,978	1,450,629
Extraordinary item	-	-	-
Other financing sources (Transfer in)	7,977,407	7,893,696	24,558,269
Other financing sources (Transfer out)	(11,416,478)	(9,788,375)	(18,385,696)
Other financing sources (Capital lease)	-	-	-
Other financing sources (uses):			
Proceeds of debt issued (refunds)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances ⁽³⁾	<u>\$ 3,375,966</u>	<u>\$ 4,626,299</u>	<u>\$ 7,623,202</u>
Debt service as a percentage of noncapital expenditures	2.9%	2.8%	2.9%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 26,952,603	\$ 27,836,907	\$ 30,183,994	\$ 29,841,240	\$ 37,397,196	\$ 44,256,905	\$ 46,012,683
3,981,683	3,893,645	4,807,519	3,850,848	5,135,532	6,093,601	40,065,556
5,061,978	5,441,457	6,193,125	6,809,578	6,154,618	13,464,391	11,092,673
3,405,255	3,301,524	3,689,192	2,918,239	2,093,216	3,997,199	4,636,795
1,132,649	7,009,636	1,345,048	1,115,456	824,466	783,915	1,078,325
1,272,582	1,189,135	2,277,193	2,349,974	(250,036)	(6,658,443)	329,244
10,445,009	11,436,819	9,396,817	12,481,391	12,194,820	14,008,403	53,579,817
<u>52,251,759</u>	<u>60,109,123</u>	<u>57,892,888</u>	<u>59,366,726</u>	<u>63,549,812</u>	<u>75,945,971</u>	<u>156,795,093</u>
6,256,661	6,220,529	6,151,598	6,526,050	7,055,055	8,020,370	10,465,883
23,159,049	24,877,089	26,538,743	27,536,184	28,682,296	30,693,706	34,619,832
852,334	984,844	1,255,226	1,447,402	1,540,457	1,551,310	2,053,186
1,700,057	1,494,003	1,605,936	1,928,545	1,644,167	1,870,115	2,127,432
4,967,433	5,717,215	5,795,227	5,844,760	4,838,508	5,164,289	5,744,341
1,841,983	2,038,896	2,067,693	2,105,201	1,957,533	2,094,036	2,250,227
2,690,910	2,856,118	2,934,136	3,043,416	2,649,788	2,838,991	3,251,228
7,844,120	8,675,937	12,649,502	6,172,424	4,498,002	18,577,288	28,272,567
1,939,282	1,035,038	1,411,245	1,358,246	1,398,135	1,357,151	1,446,246
368,929	363,591	343,660	356,404	315,091	277,303	290,595
<u>51,620,758</u>	<u>54,263,260</u>	<u>60,752,966</u>	<u>56,318,632</u>	<u>54,579,032</u>	<u>72,444,559</u>	<u>90,521,537</u>
631,001	5,845,863	(2,860,078)	3,048,094	8,970,780	3,501,412	66,273,556
-	-	-	-	-	-	-
6,354,831	8,730,402	8,404,503	10,231,738	12,170,782	12,083,255	30,679,744
(9,831,158)	(8,413,003)	(9,124,503)	(11,501,441)	(12,462,140)	(11,926,313)	(30,585,020)
1,873,846	-	1,630,339	-	-	-	-
-	-	-	-	-	1,600,000	690,702
-	-	-	-	-	1,600,000	690,702
<u>\$ (971,480)</u>	<u>\$ 6,163,262</u>	<u>\$ (1,949,739)</u>	<u>\$ 1,778,391</u>	<u>\$ 8,679,422</u>	<u>\$ 5,258,354</u>	<u>\$ 67,058,982</u>
5.3%	3.1%	3.6%	3.4%	3.4%	3.0%	2.8%

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

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
2014	4,364,835,817	945,331,190	55,708,482	61,925,552	5,427,801,041	188,968,984	5,616,770,025	5,616,770,025	1.0000
2015	4,706,427,833	1,030,026,318	57,511,431	63,017,548	5,856,983,130	191,476,425	6,048,459,555	6,048,459,555	1.0000
2016	5,014,371,175	1,104,091,897	58,749,109	63,704,550	6,240,916,731	186,926,223	6,427,842,954	6,427,842,954	1.0000
2017	5,359,750,309	1,226,598,661	75,276,105	68,634,181	6,730,259,256	209,798,255	6,940,057,511	6,940,057,511	1.0000
2018	5,646,827,286	1,357,155,853	77,211,922	72,559,603	7,153,754,664	212,376,474	7,366,131,138	7,366,131,138	1.0000
2019	6,036,268,674	1,503,692,754	78,754,420	77,125,479	7,695,841,327	193,402,416	7,889,243,743	7,889,243,743	1.0000
2020	6,402,789,888	1,635,452,776	81,593,747	93,290,564	8,213,126,975	191,580,394	8,404,707,369	8,404,707,369	1.0000
2021	6,805,415,098	1,810,368,170	83,857,367	134,679,313	8,834,319,948	144,575,709	8,978,895,657	8,978,895,657	1.0000
2022	7,107,728,273	1,790,875,440	144,928,994	131,588,023	9,175,120,730	130,101,776	9,305,222,506	9,305,222,506	1.0000
2023	7,589,901,022	1,988,665,638	151,056,673	127,238,414	9,856,861,747	101,307,134	9,958,168,881	9,958,168,881	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	
2014	1.0000	1.0000	0.0864	0.0000	1.0864
2015	1.0000	1.0000	0.0983	0.0000	1.0983
2016	1.0000	1.0000	0.0929	0.0000	1.0929
2017	1.0000	1.0000	0.0910	0.0000	1.0910
2018	1.0000	1.0000	0.0900	0.0000	1.0900
2019	1.0000	1.0000	0.0801	0.0000	1.0801
2020	1.0000	1.0000	0.1148	0.0000	1.1148
2021	1.0000	1.0000	0.1112	0.0000	1.1112
2022	1.0000	1.0000	0.1103	0.0000	1.1103
2023	1.0000	1.0000	0.1026	0.0000	1.1026

Source: California Municipal Statistics

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

		2022-2023				2013-2014			
		% of				% of			
Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(1)	Property Owner	Primary Land Use	Assessed Valuation	Rank	Total(2)
Google Inc.	Office Building	787,823,589	1	7.99%	ASN Tanforan Crossing I LLC	Apartments	135,566,664	1	2.50%
Crystal Springs Associates	Apartments	197,188,405	2	2.00%	Bahill Four Associates	Office Building	130,267,851	2	2.40%
ASN Tanforan Crossing I & II LLC	Apartments	163,057,311	3	1.65%	The Gap Inc.	Office Building	126,170,844	3	2.32%
Walmart Stores Inc.	Office Building	139,774,196	4	1.42%	Tanforan Park Shopping Center LLC	Shopping Center	124,587,640	4	2.30%
ARE-San Francisco No. 96 Holding LLC	Shopping Center	135,188,866	5	1.37%	Archstone San Bruno III LLC	Apartments	83,436,000	5	1.54%
ARE-San Francisco No. 95 Holding LLC	Shopping Center	125,800,000	6	1.28%	Behringer Harvard Acappella LP	Apartments	47,081,919	6	1.05%
Behringer Harvard Acappella LP	Apartments	110,436,816	7	1.12%	CREA-San Bruno LLC	Office Building	46,600,000	7	0.86%
ARE-San Francisco No. 94 Holding LLC	Shopping Center	106,836,984	8	1.08%	San Bruno Towne Center Partnership	Shopping Center	42,635,350	8	0.79%
San Bruno III Financing LP	Apartments	100,134,281	9	1.02%	Crystal Springs Associates	Apartments	33,119,176	9	0.61%
Amazon.com Services LLC	Industrial	84,609,566	10	0.86%	Mach I Bayhill LLC	Office Building	32,800,000	10	0.60%
Subtotal		\$ 1,950,850,014		19.79%			\$ 802,265,444		14.96%

Total Local Secured Assessed Valuation:

(1) Fiscal Year 2022-23 9,958,336,007

(2) Fiscal Year 2013-14 5,427,801,041 Walmart Stores Inc.

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, 2023

Name

ALL SHORES	135 EL CAMINO REAL
AT HOME SUPPORT SENIOR CARE LLC	1590 EL CAMINO REAL K-J
CBRE INC.	1111 BAYHILL DR 270
CENTURY THEATERS INC.#494	1188 EL CAMINO REAL
COURTYARD BY MARRIOTT SAN FRANCISCO AIRPORT	1050 BAYHILL DR
CRESTMoor AUTO CENTER	2901 SAN BRUNO AVE W
CVS/PHARMACY #9807	10 BAYHILL SHOPPING CENTER
EL CAMINO VALERO-GAS	800 EL CAMINO REAL
ENTERPRISE RENT A CAR CO. OF SAN FRANCISCO LLC	734 SAN BRUNO AVE E
GRAND ELECTRIC CONSTRUCTION CO. INC.	133 TANFORAN AVE
HYUNDAI OF SAN BRUNO / GENESIS OF SAN BRUNO	1178 EL CAMINO REAL
INTERFRESH INC.	901 SNEATH LN 215
JACK'S RESTAURANT & BAR	1050 ADMIRAL CT
JCPENNEY	1122 EL CAMINO REAL
LA PETITE BALEEN SWIM SCHOOL	434 SAN MATEO AVE
LOWE'S HOME CENTERS LLC	1340 EL CAMINO REAL
LUCKY #748	1322 EL CAMINO REAL
LUNARDI'S MARKET	2801 SAN BRUNO AVE W
MARKEN BROKERAGE SERVICES LLC	1051 SNEATH LN
MARSHALL'S #492	1268 EL CAMINO REAL
MELODY TOYOTA	222 SAN BRUNO AVE E
NEXT PETROLEUM	2001 ROLLINGWOOD DR
PLATINUM MOTORS INC.	116 SANTA DOMINGA AVE
RECOLOGY SAN BRUNO	101 TANFORAN AVE
RMC MOTORCARS	444 EL CAMINO REAL
SAN BRUNO BB MOBIL	717 SAN BRUNO AVE E
SAN BRUNO DIALYSIS	841 SAN BRUNO AVE W
SAN BRUNO GAS	401 SAN MATEO AVE
SAN BRUNO SHELL- GAS STATION	798 EL CAMINO REAL
SAN BRUNO SKILLED NURSING	890 EL CAMINO REAL
SPECIALTY TOBACCO OUTLET	1230 EL CAMINO REAL L
STRATFORD SCHOOL	2322 CRESTMoor DR
TARGET STORE T1054	1150 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP	901 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP	801 TRAEGER AVE
VICTORY HONDA OF SAN BRUNO	345 EL CAMINO REAL
VINCE'S SHELL FISH CO. INC	1063 MONTGOMERY AVE
WALGREENS #2939	333 EL CAMINO REAL
WELCH FAMILY PARTNERSHIP LLC	383 SAN BRUNO AVE W
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
2014	5,057,412	5,057,412	100%	-	5,057,412	100%
2015	5,477,246	5,477,246	100%	-	5,477,246	100%
2016	5,812,961	5,812,961	100%	-	5,812,961	100%
2017	6,241,601	6,241,601	100%	-	6,241,601	100%
2018	6,783,529	6,783,529	100%	-	6,783,529	100%
2019	7,059,221	7,059,221	100%	-	7,059,221	100%
2020	7,609,212	7,609,212	100%	-	7,609,212	100%
2021	8,003,597	8,003,597	100%	-	8,003,597	100%
2022	8,596,769	8,596,769	100%	-	8,596,769	100%
2023	8,942,061	8,942,061	100%	-	8,942,061	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 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	2022 Fire Engines	Subscription Based IT Agreements	Subtotal				
2014	176,562	11,791,267	-	-	-	-	11,967,829				
2015	143,273	11,025,785	-	-	-	-	11,169,058				
2016	109,001	10,250,302	-	-	-	-	10,359,303				
2017	73,719	9,454,820	784,846	-	-	-	10,313,385				
2018	37,395	8,644,338	616,132	-	-	-	9,297,865				
2019	-	7,808,856	444,214	1,283,408	-	-	9,536,478				
2020	-	6,948,374	269,031	980,344	-	-	8,197,750				
2021	-	6,062,892	90,522	665,719	-	-	6,819,133				
2022	-	5,142,410	-	339,090	1,600,000	280,502	7,362,002				
2023	-	4,191,928	-	-	1,462,844	698,701	6,353,473				

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				
2014	-	7,294,634			36,946	9,380,027	16,711,607	28,679,436	42,355	677.12	1.9%
2015	-	6,986,758			-	8,571,181	15,557,939	26,726,997	44,409	601.84	2.3%
2016	-	6,708,883			-	7,741,648	14,450,531	24,809,834	45,360	546.95	1.5%
2017	-	6,426,008			-	6,890,896	13,316,904	23,630,289	45,295	521.70	1.4%
2018	-	6,128,132	27,096,017	12,861,644	-	6,018,384	52,104,177	61,402,042	46,085	1,332.37	3.3%
2019	-	5,825,258	26,763,483	12,700,089	-	5,123,552	50,412,382	59,948,860	45,257	1,324.63	3.1%
2020	-	5,512,381	26,235,949	12,448,534	-	4,205,832	48,402,697	56,600,446	45,454	1,245.22	2.8%
2021	-	5,184,506	25,693,415	12,191,980	-	3,264,637	46,334,537	53,153,670	45,454	1,169.39	2.5%
2022	-	4,846,630	25,135,881	11,930,425	-	2,299,366	44,212,302	51,574,304	42,656	1,209.08	2.2%
2023	-	4,493,753	24,563,347	11,658,870	-	1,724,756	42,440,726	48,794,199	42,054	1,160.27	1.8%

Fiscal Year Ended June 30,	Fiduciary Funds	
	Certificates of Participation	2019 Lease Revenue Bonds
2014	7,170,000	
2015	6,895,000	
2016	6,610,000	
2017	6,310,000	
2018	5,995,000	
2019	-	5,299,064
2020	-	4,956,642
2021	-	4,579,220
2022	-	4,186,798
2023	-	3,784,376

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2023

2022-2023 Assessed Valuation: \$ 9,958,336,007

	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/22
Overlapping Tax and Assessment Debt:			
San Mateo Community College District	\$ 708,837,622	3.452%	\$ 24,469,075
South San Francisco Unified School District	308,886,397	1.014	3,132,108
San Mateo Union High School District	637,551,532	9.939	63,366,247
San Bruno Park School District	61,600,257	96.745	59,595,169
Millbrae School District	46,219,527	3.388	1,565,918
Total overlapping tax and assessment debt			\$ 152,128,517

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.53%

Direct and Overlapping General Fund Debt:

San Mateo County General Fund Obligations	\$589,931,687	3.45%	20,364,442
San Mateo County Board of Education Certificates of Participation	6,120,000	3.452	211,262
San Mateo County Flood and Sea LRR District General Fund Obligations	13,890,000	6.361	883,543
South San Francisco Unified School District General Fund Obligations	2,770,000	1.014	28,088
San Bruno Park School District General Fund Obligations	1,800,000	96.745	1,741,410
City of San Bruno Fire Engines 2022 Lease	1,462,844	100	1,462,844
City of San Bruno Pension Obligation Bonds	4,270,000	100	4,270,000
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,617,831	3.452	124,888

Total direct and overlapping general fund debt \$29,086,477

Overlapping Tax Increment Debt (Successor Agency)

City of San Bruno Lease Revenue Bonds	3,365,000	100.00%	3,365,000
Total overlapping tax increment debt (Successor Agency)			<u>\$3,365,000</u>

Total Direct Debt 5,732,844
Total Overlapping Debt 178,847,150

Combined Total Debt⁽²⁾ \$ 184,579,994 (2)

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$5,732,844) 0.06%
Combined Total Debt 1.85%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,080,338,789):

Total Overlapping Tax Increment Debt 0.16%

(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 2023 ⁽¹⁾	
Gross Assessed Valuation	#####
Bonded Debt Limit (3.75% of Assessed Value)	<u>373,437,600</u>
Less Amount of Debt Applicable to Limit	-
Legal Bonded Debt Margin	<u>\$ 373,437,600</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 842,892	\$ 906,586	\$ 967,607	\$ 260,349	\$ 275,518	\$ 295,778	\$ 315,178	\$ 336,709	\$ 348,946	\$ 373,438
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 842,892</u>	<u>\$ 906,586</u>	<u>\$ 967,607</u>	<u>\$ 260,349</u>	<u>\$ 275,518</u>	<u>\$ 295,778</u>	<u>\$ 315,178</u>	<u>\$ 336,709</u>	<u>\$ 348,946</u>	<u>\$ 373,438</u>

17 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%

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	
2014 ⁽³⁾	15,549,816	6,748,392	8,801,424	245,000	-	35.92
2013 Wastewater Revenue Refunding Bonds						
2014 ⁽³⁾	15,549,816	6,748,392	8,801,424	-	111,024	79.27
2015	15,087,098	7,947,063	3,248,307	290,000	289,538	5.60
2016	15,954,642	8,355,894	7,598,748	260,000	281,288	14.04
2017	15,923,694	9,305,503	6,618,191	265,000	273,081	12.30
2018	17,032,182	8,431,394	8,600,788	280,000	263,875	15.81
2019	18,643,453	8,039,977	10,603,476	285,000	253,275	19.70
2020	18,947,384	8,955,800	9,991,584	295,000	241,675	18.62
2021	18,710,405	8,990,002	9,720,403	310,000	229,188	18.03
2022	19,677,857	9,111,455	10,566,402	320,000	217,200	19.67
2023	20,103,735	11,340,620	8,763,115	335,000	204,263	16.25
2017 Wastewater Revenue Bonds						
2018	17,032,182	8,431,394	8,600,788	-	-	-
2019	18,643,453	8,039,977	10,603,476	245,000	1,073,309	8.04
2020	18,947,384	8,955,800	9,991,584	440,000	993,100	6.97
2021	18,710,405	8,990,002	9,720,403	455,000	979,675	6.78
2022	19,677,857	9,111,455	10,566,402	470,000	963,450	7.37
2023	20,103,735	11,340,620	8,763,115	485,000	944,350	6.13
2017 Water Revenue Bonds						
2018	15,561,896	8,819,147	6,742,749	-	-	-
2019	17,721,522	9,032,331	8,689,191	120,000	509,394	13.81
2020	17,614,884	9,715,615	7,899,269	210,000	471,250	11.60
2021	18,031,439	10,443,967	7,587,472	215,000	464,875	11.16
2022	17,078,773	9,486,358	7,592,415	220,000	457,250	11.21
2023	17,540,442	13,984,614	3,555,828	230,000	448,250	5.24

Note:

⁽¹⁾ Gross revenues include nonoperating interest income

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

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

Source: City financial records

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

Year	Population (1)	San Mateo County					
		Total	Per	Median	**School	County	City
		Personal	Capita			Unemployment	Unemployment
		Income (2)	Personal	Age(3)	Enrollment	Rate(4)	Rate(4)
2014	42,355	1,521,349,245	35,919	38.7	3,888	5.4%	4.7%
2015	44,409	1,165,025,706	26,234	38.5	3,900	3.2%	3.1%
2016	45,360	1,609,096,610	36,458	38.7	3,833	3.4%	3.3%
2017	45,295	1,730,857,835	38,213	39.2	3,774	3.0%	2.9%
2018	46,085	1,873,078,740	40,644	39.2	3,854	2.2%	2.3%
2019	45,257	1,940,212,847	42,871	39.3	3,692	1.7%	1.8%
2020	45,454	2,026,702,952	44,588	39.6	3,679	11.1%	13.4%
2021	44,936	2,162,634,872	48,127	39.3	3,462	6.9%	8.1%
2022	42,656	2,358,010,883	55,280	38.8	3,210	1.7%	1.9%
2023	42,054	2,711,565,802	64,478	39.0	3,110	2.7%	2.6%

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

Source: Avenu Insights & Analytics

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

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

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

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

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

City of San Bruno, California

Principal Employers

Current Year and Nine Years Ago

Employer	2022-2023			2013-2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
You Tube, Inc	2,609	1	9.35%	800		3.38%
Walmart eCommerce Corporate Office*	2,165	2	7.76%			
Skyline College	523	3	1.87%	250		1.05%
Artichoke Joe's Casino	420	4	1.51%	374		1.58%
City of San Bruno	247.25	5	0.89%	226		0.95%
Target Store	233	6	0.84%	254		1.07%
Lucky Supermarkets	200	7	0.72%	260		1.10%
San Bruno Park School District	195	8	0.70%			
Lowe's HIW, Inc.	170	9	0.61%	163		0.69%
Capuchino High School (SMUHSD)	131	10	0.47%			
Lash Group, Inc				300		1.27%
Sears, Roebuck & Co				240		1.01%
BJ's Restaurant and Brewhouse				160		0.68%
Total Top Employers	6,893		24.71%	3,027		12.77%
Total City Labor (1)	27,900			23,700		

Source: Avenu Insights & Analytics

Source 2014: Previously published ACFR Report

Results based on direct correspondence with city's local businesses.

*Business has not responded to Avenu's inquires, previous year count applied.

(1) Total City Employment provided by EDD Labor Force Data.

Note: Employee count from City's Budget FY2223. Does not include "Other" General Funds count.

City of San Bruno, California

Full-time Equivalent City Employees by Function/Program

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2.00	2.00	2.00	2.00	2.00
City Treasurer	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	0.25
City Manager	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.50	4.50
Human Resources	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	3.25	4.25
Finance										
Administration	5.00	5.00	5.00	5.50	5.50	5.00	5.00	5.00	7.00	8.00
Revenue Services	5.00	5.00	5.00	4.50	4.50	5.00	5.00	5.00	4.00	3.50
Police	61.50	62.50	62.50	64.00	65.00	68.00	69.00	72.00	66.75	68.50
Fire	32.75	33.30	33.40	35.00	35.00	35.00	36.00	36.00	34.25	35.50
Public Works										
Admin. & Engineering	6.70	6.70	6.70	6.70	6.70	6.70	6.70	5.65	10.60	11.55
Streets Maintenance	5.10	5.70	5.80	5.80	5.80	5.70	5.70	5.65	5.25	5.90
Community Development										
Planning	4.50	4.50	4.25	5.75	5.25	5.25	5.25	5.25	6.00	6.50
Building	6.50	7.50	7.75	8.25	8.75	8.75	10.75	7.75	6.50	6.50
Parks & Recreation Services										
Recreation	4.00	4.75	4.90	4.90	4.90	4.90	4.90	4.95	5.05	11.55
Parks Maintenance	13.80	14.30	13.05	13.05	13.05	15.05	15.05	14.85	15.50	12.35
Senior Services	3.35	3.45	3.75	3.65	3.65	3.65	3.65	3.90	2.90	3.15
Library Services	7.65	7.55	7.75	7.85	7.85	7.85	7.85	7.80	7.30	7.45
Subtotal	170.10	174.50	174.10	179.20	179.70	185.35	189.35	188.30	186.10	196.45
Other General Funds										
American Rescue Plan Act	-	-	-	-	-	-	-	19.00	14.25	9.50
Subtotal	-	-	-	-	-	-	-	19.00	14.25	9.50
Special Revenues										
Solid Waste	0.35	0.35	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Subtotal	0.35	0.35	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Internal Services										
Central Garage	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.60	2.65	2.65
Buildings and Facilities	5.70	6.45	7.05	7.05	7.05	8.05	8.05	8.85	8.95	8.95
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.50
Self-Insurance	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Subtotal	11.55	12.80	13.40	13.40	13.40	14.40	14.40	15.45	15.85	15.60
Enterprise Funds										
Water Enterprise	16.95	17.45	17.45	17.95	17.95	17.95	17.95	17.95	19.10	19.20
Stormwater Enterprise	3.75	4.15	3.95	3.95	3.95	4.05	6.05	6.05	6.10	6.10
Wastewater Enterprise	15.80	16.30	16.30	16.80	16.80	16.80	16.80	16.80	16.65	16.70
Cable Enterprise	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	17.00	17.00
Subtotal	56.50	57.90	57.70	58.70	58.70	58.80	60.80	60.80	58.85	59.00
Glenview Funds										
Crestmoor (Glenview) Recover	4.25	3.70	3.70	2.00	0.50	-	-	-	-	-
Subtotal	4.25	3.70	3.70	2.00	0.50	-	-	-	-	-
Total Positions (all funds)	<u>242.75</u>	<u>249.25</u>	<u>249.35</u>	<u>253.75</u>	<u>252.75</u>	<u>259.00</u>	<u>265.00</u>	<u>265.00</u>	<u>275.50</u>	<u>281.00</u>

Source: Adopted City Budget

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

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Calls for Service	30,131	32,610	36,144	31,333	42,057	47,429	44,684	41,406	42,260	44,712
Physical arrests	1,071	1,224	1,280	1,311	1,087	1,627	1,240	845	1,331	1,436
Parking violations**	8,710	8,794	11,675	15,525	14,205	18,252	9,848	13,396	9,969	12,285
Traffic collisions	369	464	452	384	325	338	237	233	217	189
Moving citations	2,659	2,144	2,221	2,225	2,424	2,447	2,199	1,953	1,363	1,387
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,148	3,159	3,574	4,288	3,874	4,006	4,236	4,092	5,486	5,938
Number of inspection conducted**	1,326	1,375	1,420	1,360	1,307	1,415	1,621	1,444	1,110	1,026
Public Works										
Street repair (sq. ft.)	4,792	14,697	861,150	145,204	539,343	816,331	80,999	29,457	227,300	4,860
Potholes repaired	2,670	2,185	1,618	2,333	1,442	1,905	2,546	2,735	1,694	1,745
Sidewalk repair (sq. ft)	11,625	14,980	651	262	119,922	3,624	8,001	2,003	16,950	5,555
Sidewalk curb&gutter repair (ft)	927	1,397	109	886	26,041	700	1,269	1,234	1,650	2,050
Street light poles replaced	6	14	9	13	65	44	50	10	5	38
Community Development:										
Plans checks	340	527	553	445	549	688	622	162	846	846
Permits Issued	1,283	1,339	1,622	1,500	1,468	1,455	1,276	1,471	1,589	1,589
Parks & recreation:										
Picnic rentals	934	954	859	842	888	820	532	107	771	566
Number of trees planted	63	120	75	100	100	100	71	100	83	0
Linear miles of medians maintained	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Library:										
Library circulation	358,362	354,047	329,210	337,671	334,711	353,015	294,333	165,059	525,389	297,317
Library visits	248,563	219,343	182,263	179,150	190,466	205,851	161,907	10,813	120,398	129,104
Water										
New service connections	442	263	285	363	243	282	238	299	161	703
Gallons purchased(millions of gallons)	600	477	507	948	950	1,102	907	2,647	374	733
Stormwater										
Number of curb miles swept	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540
Number of catch basins cleaned and inspected	1,223	1,223	1,223	1,223	1,550	2,120	2,680	2,680	2,680	2,680
Cable										
Number of Internet service subscribers	6,085	6,111	6,337	6,460	6,600	7,260	7,109	7,300	6,650	6,250
Number of new customer installations	953	1,121	1,208	1,031	1,200	1,500	1,112	1,112	1,350	1,061

* 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 Nine Fiscal Years
(Fiscal year ended June 30)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety									
Number of police stations	1	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	2	2	2	2
Public Works									
Miles of streets	89	89	89	89	89	89	89	89	89
Average Citywide Pavement Condition Index (PCI) Score	65	64	62	61	66	62	65	64	64
Miles of Sidewalk	178	178	178	178	178	178	178	178	178
Number of street lights	*	*	*	*	1,909	1,909	1,909	41	41
Number of traffic signals	17	17	17	17	17	17	17	17	17
Number of street signs	*	*	*	*	4,943	5,240	5,245	439	439
Water									
Miles of water mains	*	*	*	1	20	120	120	120	120
Number of fire hydrants	*	*	*	9	49	949	950	985	985
Number of water wells	4	4	4	4	4	4	4	5	5
Number of pump stations	8	8	8	8	8	8	8	8	8
Number of water tanks	8	8	8	8	8	8	8	8	8
Number of pressure regulator stations	26	26	26	26	26	26	26	13	13
Wastewater/Sewer									
Miles of sanitary sewers main	*	*	*	*	89	89	89	87	87
Miles of sewer lift (pump) stations	6	6	6	6	6	6	6	6	6
Stormwater									
Number of storm sewer main	36	36	36	36	36	36	36	36	36
Number of trash capture devices	55	55	55	55	277	284	287	293	296
Leisure and Culture									
Number of parks	18	18	18	18	18	18	19	19	19
Acres of maintained landscaped areas	96	96	96	96	97	97	97	97	97
Acres of open space	128	128	128	128	128	128	128	128	128
Number of trees	*	4,700	6,300	6,300	6,777	6,777	6,777	6,777	6,777
Number of libraries	1	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1	1
Number of recreation center facilities	1	1	1	1	1	1	1	1	1

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