



CITY OF SAN BRUNO

COMPREHENSIVE ANNUAL FINANCIAL REPORTING

FOR THE FISCAL YEAR ENDING JUNE 30, 2009



CITY OF SAN BRUNO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

Prepared by:
Finance Department
Jim O'Leary, Finance Director

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Table of Contents

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	1
California Society of Municipal Finance Officers Award	7
Directory of Officials	9
Organizational Chart.....	10
II. FINANCIAL SECTION	
Independent Auditor’s Report	11
Management’s Discussion and Analysis (Required Supplementary Information)	13
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets	27
Statement of Activities	28
<i>Fund Financial Statements:</i>	
Governmental Funds:	
Balance Sheet	32
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Assets	
Governmental Activities	34
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets	35
Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of Fund Based Statements to Government-Wide Statement of Activities	38
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	39
Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Budget and Actual – All Major Funds	40
Proprietary Funds:	
Statement of Net Assets	42
Statement of Revenues, Expenses, and Changes	
in Fund Net Assets	44
Statement of Cash Flows	46
Fiduciary Funds:	
Statement of Net Assets.....	48
Notes to Basic Financial Statements	49
Required Supplementary Information:	
Schedule of Funding Progress	85

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Table of Contents

	<u>Page</u>
Other Supplemental Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	92
In-Lieu Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	96
Agency on Aging Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	97
Gas Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	98
Library Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	99
Police Asset Seizure Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	100
Safety Augmentation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	101
Police Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	102
SB322 Recycling/Litter Clean-up Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	103
Restricted Donations Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	104
Traffic Safety Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	105
Statement of Fund Net Assets – Internal Service Funds.....	106
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	108
Combining Statement of Cash Flows – Internal Service Funds	110
Combining Statement of Net Assets – Fiduciary Funds.....	112
Capital Assets – Governmental Activities Schedule of Changes in Capital Assets.....	113
 III. STATISTICAL SECTION:	
Net Assets by Component	118
Changes in Net Assets	119
Fund Balances, Governmental Funds	121
Changes in Fund Balances, Governmental Funds	122
Table of Assessed Valuations	123
Direct and Overlapping Tax Rates.....	124

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Table of Contents

Principal Property Taxpayers.....	125
Schedule of Top 40 Retail Businesses	126
Property Tax Levies and Collections	127
Ratios of Outstanding Debt by Type	128
Overlapping Debt.....	129
Legal Debt Margin Information	130
Pledged Revenue Coverage	131
Demographic and Economic Statistics	132
Principal Employers	133
Full-time Equivalent City Employees by Function/Program	134
Capital Asset Statistics by Function/Program	135



December 17, 2009

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

Dear Mayor and Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) for the City of San Bruno for the fiscal year ended June 30, 2009 is hereby submitted. The financial statements have been prepared by the City's Finance Department in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the data and completeness of the presentation including all disclosures rests with the City.

The City believes the data is accurate in all material respects and is presented in a manner fairly setting forth the City's financial position, results of operations, and cash flows of the various funds and account groups. Further, the City believes that all disclosures have been included that are necessary for a reader to understand the City's financial condition.

The CAFR is presented in three sections: the Introductory Section, the Financial Section, and the Statistical Section. Each of these sections is made up of a number of elements.

1. Introductory Section – This section includes this transmittal letter that highlights significant aspects of the City's financial operations during the year and the financial condition of the City as of June 30, 2009. This section also includes a list of principle officials and an organization chart.
2. Financial Section – This section includes the independent auditors' report, Management's Discussion and Analysis (MD&A) of the fiscal year, the basic financial statement and notes that explain the City's financial position and operating results, and supplementary statements, schedules, and notes that provide additional detailed information relative to the basic financial statements. This transmittal letter, read in conjunction with the MD&A, assists readers in assessing the City's financial condition.
3. Statistical Section – This section includes pertinent financial and non-financial statistical data that presents various economic, social, and demographic trends and other information about the City for the past ten years.

REPORTING ENTITY

The CAFR for the year ended June 30, 2009 covers the activities, organizational elements, and functions that the City's elected officials have the ability to control. The City's CAFR presents financial information on actions by which the City Council has the ability to impose its will and on the component unit that provides a financial benefit or creates a financial burden. A component unit is reported either as blended because of this imposition of will and general oversight or one that is discrete and operates somewhat separately from the City.

Imposition of its will is derived from the City's power and influence, including but is not limited to:

1. Ability to modify or approve budgets,
2. Appointment of a voting majority of other governing authorities,
3. Identification of management,
4. Ability to significantly influence operations, and
5. Ability to modify, veto, or overrule decisions.

The City's blended component unit includes the operations of the San Bruno Redevelopment Agency. Component Unit Financial Statements and Independent Auditors' Reports for the San Bruno Redevelopment Agency were prepared for the year ended June 30, 2009.

CITY AND ECONOMIC BACKGROUND

The City of San Bruno is located in the San Francisco Bay Area, in the northern area of San Mateo County. It is located twelve miles south of San Francisco and adjacent to the San Francisco International Airport. Strategically located along Highway 101 and Interstate 280, the City enjoys easy access to the vast cultural, educational, and recreational opportunities of the San Francisco Bay Area.

The City's general economic outlook is closely tied to the Bay Area region and the country as a whole. While housing prices in the Bay Area region have experienced less of a decline than in other parts of the state, the City experienced a slight decrease in assessed property values in 2008-09, resulting in lower property tax revenues. In addition, the City's sales tax and hotel/motel tax also decreased in 2008-09. However, the diversity of San Bruno's General Fund revenue sources has continued to benefit the City.

The City's economy is benefiting from growth in high technology industries, especially Internet applications. Demand is increasing in the commercial real estate market. One major revenue setback for the City is the state's struggle with its budget

gap and it looking to local governments and taking various revenues that historically have been granted to local governments.

SIGNIFICANT INITIATIVES

The City continues to progress in a number of areas of importance to maintaining and improving the community quality of life and economic vitality. Some of the City's initiatives during the fiscal year include:

- Initiated a comprehensive Downtown and Transit Corridors Plan strategic planning process with meetings of a steering committee consisting of broad community representation and two community visioning workshops.
- Completed full transition to an all-digital platform cable television system in October 2008, well in advance of the June 2009 FCC deadline resulting in the expansion of program and services available through the system.
- Developed and implemented a comprehensive package of ordinances addressing maintenance and management of vacant, foreclosed and distressed properties to avoid negative impacts to neighborhoods resulting from the downturn in the housing market.
- Aggressively monitored and pursued applications for Federal Economic Recovery Stimulus funding for a variety of infrastructure projects.
- Initiated a regular Clean Downtown program including sidewalk power washing and daily litter removal.
- Completed final review and adoption a new General Plan and environmental impact report to establish the City's policy for the physical development of the community over the next 20 years.
- Effectively initiated consolidation of the previously separate Parks and Recreation Services and Library Services to a new Community Services Department permanently eliminating on Department Director position.
- Renewed operating agreements for Fire Chief, Battalion Chief, and truck coverage to assure continuation of the shared services arrangements with the City of Millbrae.
- Provided pedestrian and traffic safety improvements in several neighborhoods including installation of pedestrian safety warning signs and flashing crossing lights on San Bruno Avenue at Easton and at 6th Avenue.

- Coordinated with Caltrain in the completion of intersection improvement at San Mateo, Huntington and San Bruno Avenues and actively monitored progress through Caltrain toward full completion of design plans for Grade Separation project in 2010 and initiation of construction in 2011.
- Completed critical utility, infrastructure and facility rehabilitation and improvement projects including:
 - Replacement of the Maple Water Pump Station
 - Abandonment of the Crystal Springs Wastewater Pump Station
 - Repaving of neighborhood streets throughout the community
 - Resurfacing of the City Park tennis courts
 - Full completion of the Rollingwood Sewer Relief System upgrade
 - Rehabilitation of Well 20 to restore full pumping capacity at 600 gpm
 - Replacement of the room partition at the Senior Center, interior painting and roof repairs
 - Remodel of the Fire Station 52 living quarters
 - Installation of automatic fire alarm system at City Hall
 - Renovation and installation of technology equipment at the Emergency Operations Center to support disaster response and recovery options

FINANCIAL INFORMATION

Accounting and Budgetary Control

The City's accounting records are maintained on a modified accrual basis of accounting for all governmental fund types and agency funds. Under this basis, revenues are recognized when susceptible to accrual, i.e., both measurable and available and expenditures are recorded when paid, and recognized when the liability is expected to be liquidated with expendable, available resources. The full accrual basis of accounting is used for the City's proprietary fund types that recognize revenues when earned and expenses when incurred.

In developing the City's accounting system, consideration was given to the adequacy of the internal accounting controls. Such controls are designed to provide reasonable, although not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records used for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. The City's internal accounting controls adequately safeguard assets and reasonably assure the proper accounting of financial transactions.

The City's budgets (General Fund, Special Operating Funds, Enterprise Funds, and Capital Improvement Program) are detailed operating plans that identify estimated costs and results in relation to estimated revenues. The budgets represent processes through which policy decisions are made, implemented, and controlled.

Fiduciary Operations

The City's fiduciary operations are made up of agency funds. Agency funds are used to account for assets that are held by the City as the agency for private organizations and other governmental units. Agency funds held by the City include developers' payments for public improvements and remittance due the San Bruno Garbage Company from utility customer payments collected by the City's Finance Department.

Debt Administration

The City has outstanding certificates of participation that are supported by specific revenue sources. These are not general tax supported obligations. There are also various capital leases. As of June 30, 2009, the City has \$8,360,000 outstanding certificates of participation for the police facility for the San Bruno Redevelopment Agency and \$8,685,000 outstanding certificates of participation, issued in May 2002, for waste water system improvements.

Advances from Other Funds amounted to \$3,427,733. Of this total, the General Fund has advanced \$200,700 and the Equipment Reserve Fund has advanced \$3,227,033 to the Redevelopment Agency.

Cash Management

The City maintains a cash and investment pool for all City funds. The City Treasurer invests funds in accordance with the Investment Policy approved by the City Council. The objectives stated in the investment policy are legality, safety, yield, and liquidity. The Investment Policy addresses soundness of the financial institutions transacting business and safekeeping investments and the types of investments permitted by the California Government Code.

City investments include obligations of the U. S. Treasury, Agencies, the State Treasurer's Local Agency Investment Fund, and the San Mateo County Pooled Investment Fund.

Risk Management

The City's risk management program provides for general liability, workers compensation, and property damage loss coverage. Resources have been

accumulated in the Self-Insurance Fund (an internal service fund) to fund claim losses. General liability and property insurance coverage and claims and risk management services are provided through the City's participation in the Association of Bay Area Governments (ABAG) Plan Corporation. The City is self insured for workers compensation and contracts with an outside firm to administer and adjust workers compensation claims. In addition, the City maintains an excess workers compensation policy.

INDEPENDENT AUDIT

The City's Municipal Code requires an annual audit of the financial records by an independent audit firm selected by the City Council. The general purpose finance statements for the year ended June 30, 2009 have been audited by Mayer, Hoffman, McCann P.C. The firm's opinion is included in the financial section of this report.

ACKNOWLEDGEMENTS

This audit report was prepared in conformance with the requirements for a Comprehensive Annual Finance Report. Enhancing the City's overall financial reporting, in this instance going beyond basic audited financial statements, is an acknowledged objective for the Finance Department.

I would like to express my appreciation for the collective effort that was necessary for the preparation of the Comprehensive Annual Financial Report. I would like to thank the City Council for their interest and policy oversight on the various fiscal issues addressed during the year. In addition, the City Manager and the City's Department Heads should be acknowledged for their continued attention to planning and conducting the City financial operations in a responsible and progressive manner. Finally, I thank Mayer, Hoffman, McCann for their assistance in conducting the audit.

Very truly yours,



James H. O'Leary
Finance Director

**California Society of
Municipal Finance Officers**

Certificate of Award

***Outstanding Financial Reporting for the Fiscal
Year ending June 30, 2008***

Presented to the

City of San Bruno

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting systems from which the reports were prepared.*

June 2009



Thomas Fil

Thomas Fil, President

Jesse Takahashi

*Jesse Takahashi, Co-Chair
Professional & Technical Standards Committee*

Dedicated Excellence in Municipal Financial Management

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CITY OF SAN BRUNO CITY COUNCIL

Larry Franzella, Mayor

Jim Ruane, Vice Mayor

Ken Ibarra

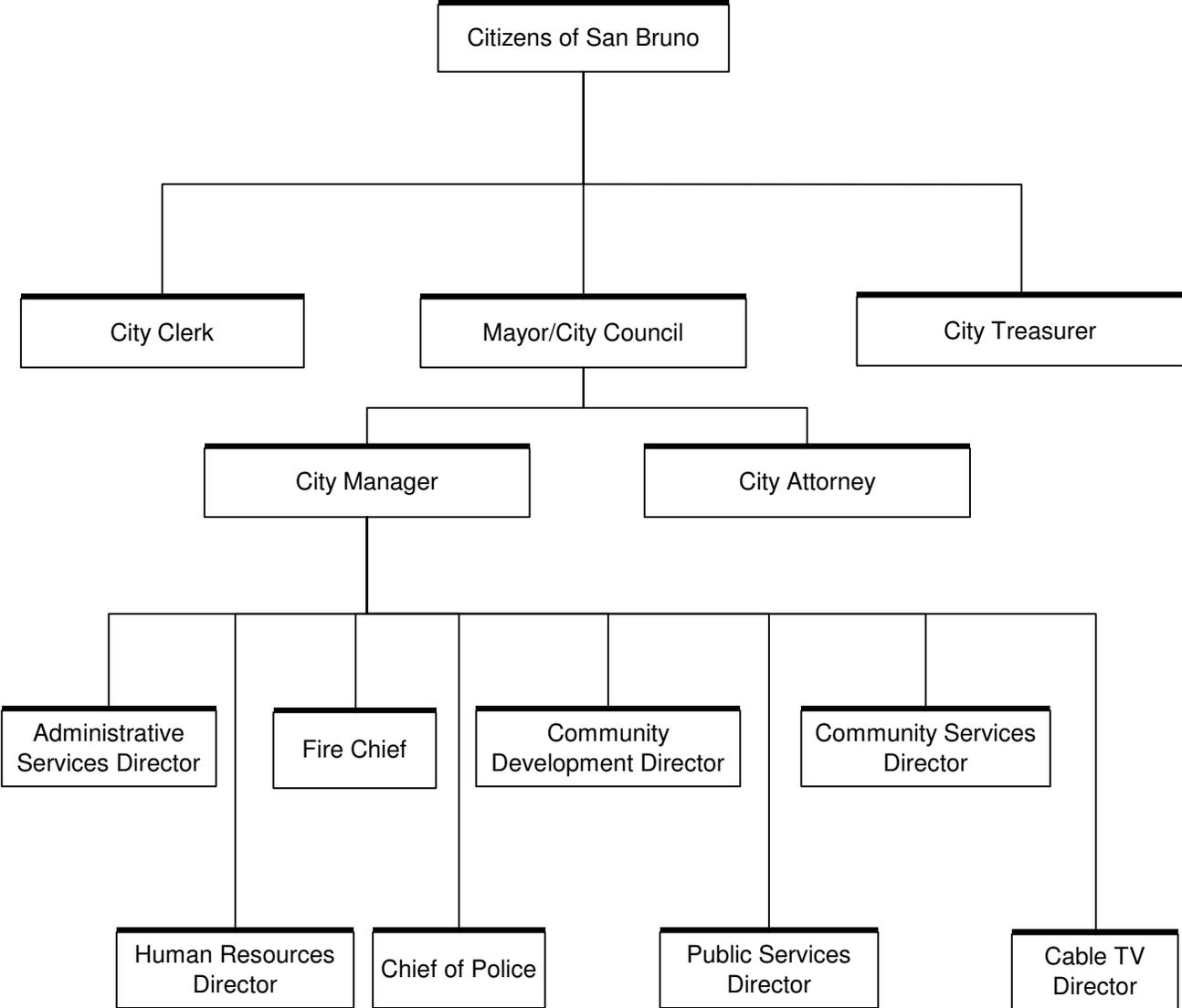
Rico E. Medina

Irene O'Connell

CITY MANAGER

Connie Jackson

CITY OF SAN BRUNO





Mayer Hoffman McCann P.C.

An Independent CPA Firm

84 South First Street, Third Floor
San Jose, CA 95113
408-794-3545 ph
408-295-3818 fx
www.mhm-pc.com

City Council
City of San Bruno, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of San Bruno. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City of San Bruno for the year ended June 30, 2008, and in our report dated December 16, 2008, and we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, of the City of San Bruno, California and the respective budgetary comparison information for the General Fund and the Redevelopment Agency Special Revenue Fund of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described further in note 13 to the financial statements, the City changed its method of accounting for postemployment benefits for fiscal years ending on or after June 30, 2009.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Bruno's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2009 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mayer Hoffman Mc Cann P.C.

San Jose, California
December 17, 2009

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis

As management for the City of San Bruno, we offer readers of the City of San Bruno's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009.

Financial Highlights

- The City's government-wide net assets increased slightly by \$67,281 during 2008-09, bringing the total net assets to \$99.4 million. The 2008-09 increase in net assets marks the sixth straight year that the City has seen positive growth of net assets. Of government-wide net assets, \$67.6 million is invested in capital assets, \$805,664 is restricted for specific use, and the balance of \$30.9 million is unrestricted for the City's operations and capital investments.
- The City's General Fund unreserved fund balance decreased by \$1,784,464 bringing the total to \$7.7 million. This decrease is the result of revenues lower than originally budgeted and expenditures in excess of budget.
- The City's Governmental activities expended \$46.5 million, representing a 7.9% increase over 2007-08. This was offset by charges for services of \$2.8 million; Operating and Capital Contributions and Grants of \$12.5 million for a net cost to general revenues (taxes and investment income) of \$31.2 million. General governmental activities revenues totaled \$30.8 million for a deficit (expense greater than revenue) of \$358,422.
- Business-type activities expended \$26.8 million that was offset by charges for services totaling \$27.7 million.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of San Bruno's basic financial statements. The City of San Bruno'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 themselves.

Government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net assets* presents information on all of the City of San Bruno's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of San Bruno is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of San Bruno 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 of San Bruno consist of general government, public safety, public works, highways and streets, parks and recreation, library and community development. The business-type activities of the City of San Bruno include Water, Stormwater, Wastewater and Cable Television.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

Overview of Financial Statements, Continued

The government-wide financial statements include not only the City of San Bruno itself (known as the primary government), but also the Redevelopment Agency of San Bruno, a legally separate entity, whose operations are totally integrated with the legislative, legal, administrative, finance and public works engineering and maintenance functions of the City of San Bruno, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 27, 28, and 29 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of San Bruno, 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 of San Bruno 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. However, unlike the 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 of San Bruno maintains twenty-four 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, Redevelopment Agency, Federal Aviation Grant Administration, Measure A Transportation Tax and State Highway Special Revenue Funds and the Street Improvement Capital Projects Fund, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of San Bruno adopts an annual appropriated budget for its general fund and most governmental funds. A budgetary comparison statement has been provided for all major and nonmajor funds (where budgets are adopted) in Governmental Activities to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-41 of this report.

Proprietary funds. The City of San Bruno maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for Water, Stormwater, Wastewater and Cable Television.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

Overview of Financial Statements, Continued

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

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

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

Fiduciary funds. Agency Funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Fiduciary funds are not reflected in the government-wide financial statements for this reason.

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

Notes to the basic financial statements. The notes provide additional information that is 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 on pages 49-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 85 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 88-112 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$99.4 million at the close of the most recent fiscal year. By far the largest portion of the City's net assets (68%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, equipment, and vehicles) and, if applicable, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its 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 themselves cannot be used to liquidate these liabilities.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

City of San Bruno's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 28,985,147	\$ 28,060,499	\$ 16,998,398	\$ 19,989,365	\$ 45,983,545	\$ 48,049,864
Noncurrent assets	48,068,265	47,570,260	53,403,833	52,127,613	101,472,098	99,697,873
Total assets	<u>77,053,412</u>	<u>75,630,759</u>	<u>70,402,231</u>	<u>72,116,978</u>	<u>147,455,643</u>	<u>147,747,737</u>
Current and other liabilities	6,390,609	6,908,907	3,171,181	3,922,495	9,561,790	10,831,402
Long-term liabilities	14,479,818	12,180,445	24,040,244	25,429,380	38,520,062	37,609,825
Total liabilities	<u>20,870,427</u>	<u>19,089,352</u>	<u>27,211,425</u>	<u>29,351,875</u>	<u>48,081,852</u>	<u>48,441,227</u>
Net assets:						
Invested in capital assets, net of related debt	38,094,423	37,073,294	29,548,513	22,821,582	67,642,936	59,894,876
Restricted	805,664	797,313	-	-	805,664	797,313
Unrestricted	<u>17,282,898</u>	<u>18,670,800</u>	<u>13,642,293</u>	<u>19,943,521</u>	<u>30,925,191</u>	<u>38,614,321</u>
Total net assets	<u>\$ 56,182,985</u>	<u>\$ 56,541,407</u>	<u>\$ 43,190,806</u>	<u>\$ 42,765,103</u>	<u>\$ 99,373,791</u>	<u>\$ 99,306,510</u>

An additional portion of the City's net assets (less than 1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance in *unrestricted net assets* of \$30.9 million will be used to meet the City's ongoing obligations to citizens and creditors as funded through current revenues.

At the end of the current fiscal year, the City reports a positive balance in unrestricted governmental net assets and positive balances in the other two categories of net assets for the government as a whole in both governmental and business-type activities. The same situation held true for the prior fiscal year with the positive balance increasing in the current fiscal year for net assets invested in capital assets and restricted for debt service. As a result of this increase by approximately 11.4%, unrestricted net assets correspondingly decreased by that amount to \$30.9 million.

Governmental Activities

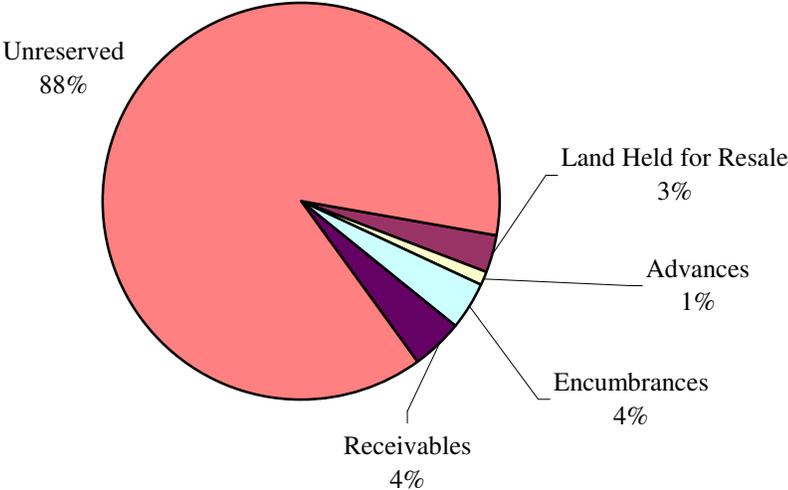
The cost of all Governmental activities this year was \$46.5 million. However, as shown in the Statement of Activities on pages 30 and 31, the amount that our taxpayers ultimately financed for these activities through City property taxes was only \$31.2 million because some of the cost was paid by those who directly benefited from the programs (\$2.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$12.1 million) for operations and (\$396,366) for capital. The City paid for the remaining "public benefit" portion of governmental activities with \$30.6 million in other general revenues (some of which could only be used for certain programs), \$187,418 in transfers and beginning net assets of \$56.5 million.

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

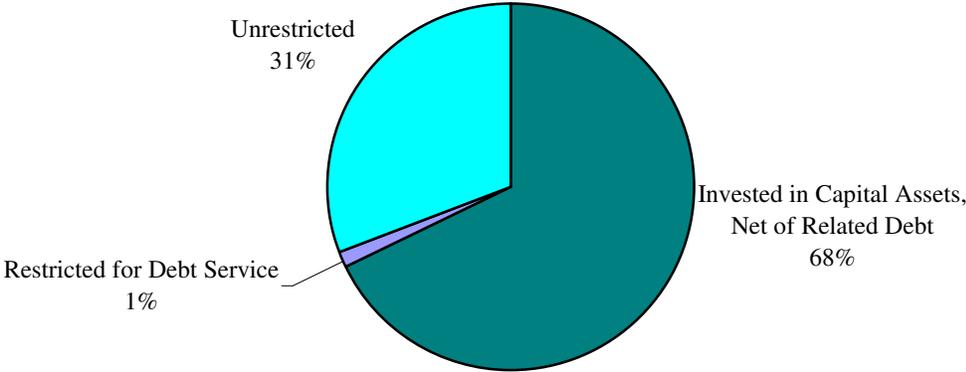
City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management’s Discussion and Analysis, Continued

Fund Balance



Net Assets



City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

Government-wide Financial Analysis, Continued

Governmental Activities, Continued

Total resources available during the year to finance governmental operations were \$46.1 million. This consisted of \$15.3 million in program revenues, \$30.6 million in general revenues, and \$187,418 in transfers. Total governmental activities operating expenses during the year were \$46.5 million. Thus, net assets at July 1, 2008, of \$56.5 million were decreased by \$358,422 to \$56.2 million.

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

	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Assets	
	2009	2008	2009	2008	2009	2008
Governmental activities:						
General government	\$ 6,293,842	\$ 5,151,235	\$ 5,879,731	\$ 680,412	\$ 414,111	\$ 4,470,823
Public safety	1,932,542	1,715,594	19,625,779	21,497,158	(17,693,237)	(19,781,564)
Public works	2,472,333	795,545	1,256,060	1,766,933	1,216,273	(971,388)
Highways and streets	2,951,477	5,112,949	5,391,549	5,993,182	(2,440,072)	(880,233)
Parks and recreation	995,901	1,207,882	4,760,291	4,805,202	(3,764,390)	(3,597,320)
Library	259,823	314,431	1,890,435	2,076,155	(1,630,612)	(1,761,724)
Community development	420,366	3,798,812	7,030,845	5,727,039	(6,610,479)	(1,928,227)
Interest Expense	-	-	665,517	553,486	(665,517)	(553,486)
Total governmental activities	\$ 15,326,284	\$ 18,096,448	\$ 46,500,207	\$ 43,099,567	\$ (31,173,923)	\$ (25,003,119)

General fund revenues exceeded the budget by \$918,954 during the 2008-09 fiscal year. This was due to claims settlement, property damage recovery and miscellaneous state reimbursements exceeding the non-departmental recoveries budget by \$202,000 as well as one-time revenues such as excess ERAF that were not budgeted for as part of general fund operations. Due to the uncertainty of these revenues on an ongoing basis, they are not used to fund general fund operations on an annual basis but rather are deposited into general fund reserves/one-time revenue. On the expense side, expenditures exceeded the budget in public safety by \$138,676, in public works by \$431,869 and library by \$117,525.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

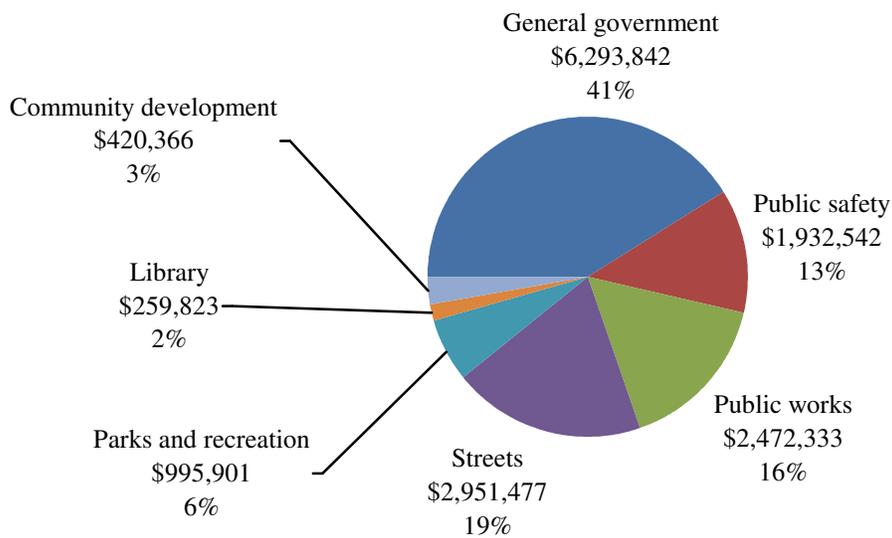
Management’s Discussion and Analysis, Continued

Government-wide Financial Analysis, Continued

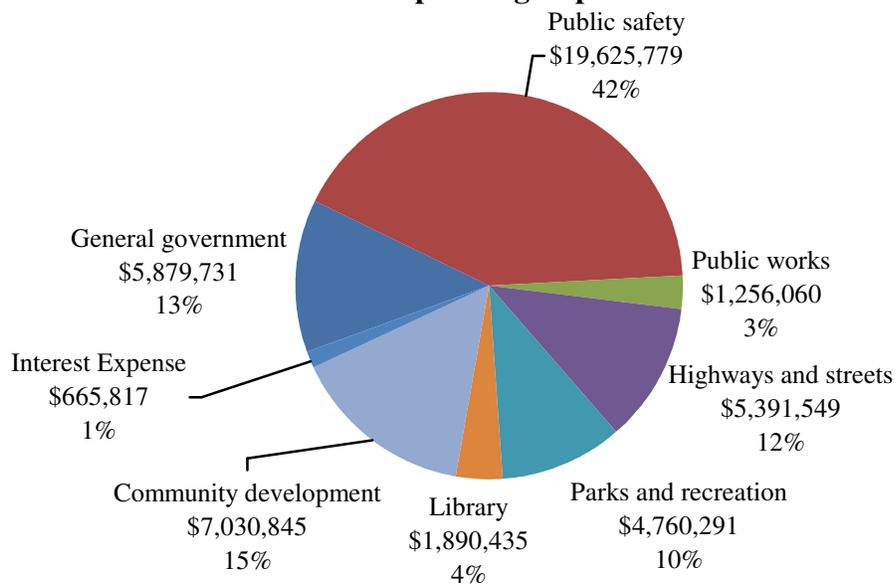
Governmental Activities, Continued

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

Operating Resources



Operating Expenses



City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

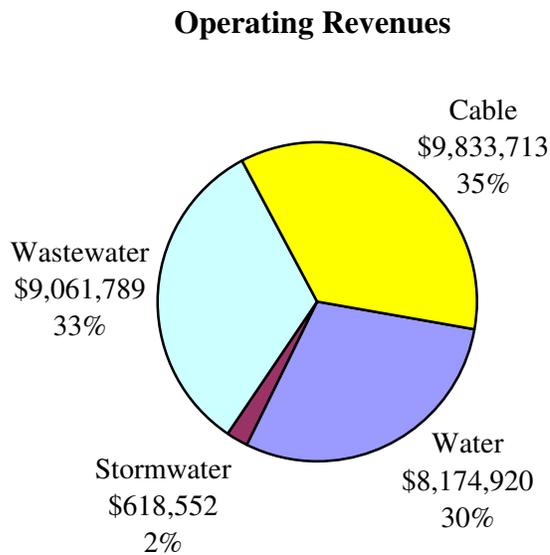
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis, Continued

Business-type activities

The City's business-type activities include: Water, Stormwater, Wastewater and Cable Television. Total resources available during the year to finance business-type activities were \$65.3 million consisting of net assets at July 1, 2008, of \$42.8 million and program revenues of \$27.7 million. Total business-type activities expenses during the year were \$26.8 million which includes a loss from investments of \$291,344; thus net assets were increased by \$425,703 to \$43.2 million.

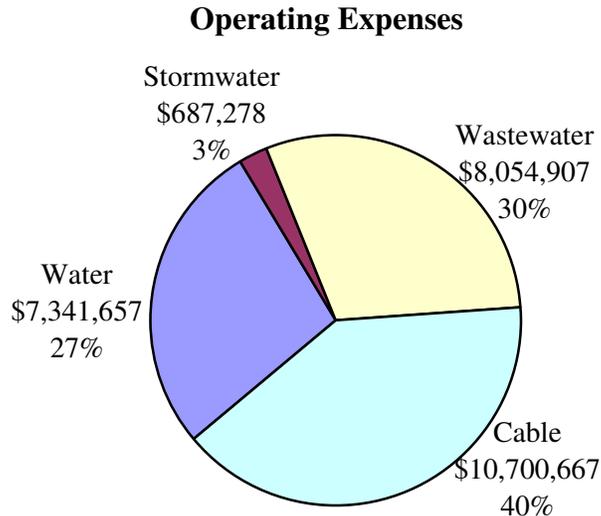
Operating revenues and expenses can be depicted graphically as follows:



City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

Government-wide Financial Analysis, Continued
Business-type activities, continued



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.

	<u>Operating Revenues</u>		<u>Operating Expense</u>		<u>Net (Expense) and Changes in Net Assets</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Business-type activities:						
Water	\$ 8,174,920	\$ 8,258,200	\$ 7,341,657	\$ 5,857,761	\$ 833,263	\$ 2,400,439
Stormwater	618,552	531,455	687,278	(171,906)	(68,726)	703,361
Wastewater	9,061,789	8,413,781	8,054,907	7,859,491	1,006,882	554,290
Cable Television	9,833,713	9,036,944	10,700,667	9,324,247	(866,954)	(287,303)
Total business-type activities	<u>\$ 27,688,974</u>	<u>\$ 26,240,380</u>	<u>\$ 26,784,509</u>	<u>\$ 22,869,593</u>	<u>\$ 904,465</u>	<u>\$ 3,370,787</u>

Cash Management

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). 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 certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield in that order.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management’s Discussion and Analysis, Continued

Government-wide Financial Analysis, Continued

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, 2009, net capital assets of the governmental activities totaled \$47,502,265. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2009 fiscal year, capital assets for governmental activities increased by \$498,005 due to additions, net of accumulated depreciation, of \$9.9 million and deletions of \$9.4 million. For the business-type activities, capital assets increased by \$2.2 million mainly as a result of buildings and improvements in the Wastewater Fund and construction in progress in the Water and Cable Funds.

Additional information on the City’s capital assets can be found in Note 4 on Pages 67-70 of this report.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$561,197	\$561,197	\$576,842	\$576,842	\$1,138,039	\$1,138,039
Construction in Progress	750,954	9,663,462	5,495,070	6,543,274	6,246,024	16,206,736
Infrastructure	33,503,745	25,282,016	-	-	33,503,745	25,282,016
Buildings & Structures	9,158,973	9,418,184	23,709,755	19,776,271	32,868,728	29,194,455
Machinery & Equipment	3,527,396	2,079,401	5,589,031	6,290,879	9,116,427	8,370,280
Total	\$47,502,265	\$47,004,260	\$35,370,698	\$33,187,266	\$82,872,963	\$80,191,526

Debt Administration

Debt, considered a liability of governmental activities, increased by \$1,781,075 as a result of a claims liability increase of \$498,135 and compensated absences increase of \$585,892. Retirement of debt related to the 2000 Certificate’s of Participation and Capital Lease obligations amounted to \$205,000 and \$318,124 respectively.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In considering the City Budget for fiscal year 2009-2010, the City Council and management used the following criteria:

The key assumptions in our revenue forecast were:

- The adopted General Fund budget includes a 7.4% decrease in total revenue, amounting to \$2.5 million less than in 2008-09 adopted budget.
- Property tax revenues decreased by 8.3% and sales tax revenue decreased by 13%. Both of these revenue sources have been affected by the current economic downturn.
- Water and wastewater rates will increase as part of the first year of a three-year rate increase adopted by the City Council in 2008-09.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management’s Discussion and Analysis, Continued

The adopted budget for all City funds for the new fiscal year of 2009-10 was \$76.0 million and is summarized as follows:

	<u>FY 2009-10</u>
General fund	\$ 31,737,800
Special revenue funds	1,776,400
Enterprise funds	26,353,300
Internal service funds	3,974,800
Capital projects	<u>9,294,338</u>
Total operations and projects	<u>73,136,638</u>
Debt service	<u>2,895,071</u>
Total budget	<u><u>\$ 76,031,709</u></u>

Budgeted Expenditures:

- The adopted general fund budget includes an increase of \$481,995 or approximately 1%. While personnel expenses were anticipated to rise 4% in line with negotiated agreements, significant cost savings were seen through a city-wide reorganization.
- The capital improvement program for 2009-10 totals \$9,294,338. This amount includes significant funding for street rehabilitation and infrastructure improvements for the city’s utility operations. The breakdown is as follows:

	<u>FY 2009-10</u>
Parks & Facilities	\$ 1,355,663
Redevelopment Agency	100,000
Streets Improvement	3,188,602
Water Enterprise	2,260,118
Wastewater Enterprise	1,248,518
Stormwater Enterprise	763,435
Cable Television	278,398
Technology	<u>99,604</u>
Totals	<u><u>\$ 9,294,338</u></u>

- A total of \$3,308,315 is set-aside to meet debt service obligations of the City. Of this amount, \$378,501 is budgeted in the general fund (non-departmental), \$1,869,132 is budgeted in the wastewater fund, \$412,982 is budgeted in the cable fund, and \$647,700 is budgeted in redevelopment operations.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Management's Discussion and Analysis, Continued

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 money it receives. Below is the contact address for questions about this report or if you need any additional financial information.

City of San Bruno
Finance Department
567 El Camino Real
San Bruno, CA 94066
Phone: (650)616-7080

BASIC FINANCIAL STATEMENTS

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City of San Bruno, California

Statement of Net Assets

June 30, 2009

(with comparative totals for June 30, 2008)

	Governmental Activities	Business-Type Activities	Totals	
			2009	2008
ASSETS				
Current assets:				
Cash and investments	\$ 26,008,136	\$ 10,925,393	\$ 36,933,529	\$ 38,558,717
Cash and investments with fiscal agent/trustee	742,510	1,652,502	2,395,012	1,887,996
Receivables (net)	3,912,520	2,742,484	6,655,004	7,603,151
Internal balances	(1,678,019)	1,678,019	-	-
Total current assets	28,985,147	16,998,398	45,983,545	48,049,864
Noncurrent assets:				
Land held for resale	566,000	-	566,000	566,000
Deferred charges, net	-	250,529	250,529	261,421
Investment in joint venture	-	17,782,606	17,782,606	18,678,926
Capital assets not being depreciated:				
Land	561,197	576,842	1,138,039	1,138,039
Construction in progress	750,954	5,495,070	6,246,024	16,206,736
Capital assets net of accumulated depreciation:				
Infrastructure	33,503,745	-	33,503,745	25,282,016
Buildings and improvements	9,158,973	23,709,755	32,868,728	29,194,455
Machinery and equipment	3,527,396	5,589,031	9,116,427	8,370,280
Total capital assets (net)	47,502,265	35,370,698	82,872,963	80,191,526
Total noncurrent assets	48,068,265	53,403,833	101,472,098	99,697,873
Total assets	\$ 77,053,412	\$ 70,402,231	\$ 147,455,643	\$ 147,747,737
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 5,115,401	\$ 1,777,029	\$ 6,892,430	\$ 8,289,345
Interest payable	215,000	418,389	633,389	688,280
Unearned revenue	92,134	781,815	873,949	1,015,246
Due within one year	548,219	1,452,297	2,000,516	1,929,862
Compensated absences	968,074	193,948	1,162,022	838,531
Total current liabilities	6,938,828	4,623,478	11,562,306	12,761,264
Noncurrent liabilities:				
Compensated absences	1,187,994	184,924	1,372,918	1,071,653
Due after one year	8,859,623	22,403,023	31,262,646	33,263,163
Liability for claims	1,843,282	-	1,843,282	1,345,147
Net OPEB obligation	2,040,700	-	2,040,700	-
Total noncurrent liabilities	13,931,599	22,587,947	36,519,546	35,679,963
Total liabilities	20,870,427	27,211,425	48,081,852	48,441,227
NET ASSETS				
Invested in capital assets, net of related debt	38,094,423	29,548,513	67,642,936	59,894,876
Restricted for:				
Debt service	805,664	-	805,664	797,313
Unrestricted	17,282,898	13,642,293	30,925,191	38,614,321
Total net assets	56,182,985	43,190,806	99,373,791	99,306,510
Total liabilities and net assets	\$ 77,053,412	\$ 70,402,231	\$ 147,455,643	\$ 147,747,737

The accompanying notes are an integral part of these financial statements.

City of San Bruno, California

Statement of Activities

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,879,731	\$ 30	\$ 6,293,812	\$ -
Public safety	19,625,779	1,027,856	904,686	-
Public works	1,256,060	10,860	2,461,473	-
Highways and streets	5,391,549	774,565	2,176,912	-
Parks and recreation	4,760,291	915,348	80,553	-
Library	1,890,435	76,934	182,889	-
Community development	7,030,845	-	24,000	396,366
Interest expense	665,517	-	-	-
Total governmental activities	46,500,207	2,805,593	12,124,325	396,366
Business-type activities:				
Water	7,341,657	8,174,920	-	-
Stormwater	687,278	618,552	-	-
Wastewater	8,054,907	9,061,789	-	-
Cable Television	10,700,667	9,833,713	-	-
Total business-type activities	26,784,509	27,688,974	-	-
Total primary government	\$ 73,284,716	\$ 30,494,567	\$ 12,124,325	\$ 396,366
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, tax increment for redevelopment purposes				
Transient occupancy tax				
Franchise tax				
Sales tax, including subvention				
Cardroom taxes				
Intergovernmental:				
State motor vehicle in-lieu tax, including subvention				
Use of money and property				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - Beginning				
Net assets - Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets		Totals	
Governmental Activities	Business-Type Activities	2009	2008
\$ 414,111	\$ -	\$ 414,111	\$ 4,470,823
(17,693,237)	-	(17,693,237)	(19,781,564)
1,216,273	-	1,216,273	(971,388)
(2,440,072)	-	(2,440,072)	(880,233)
(3,764,390)	-	(3,764,390)	(3,597,320)
(1,630,612)	-	(1,630,612)	(1,761,724)
(6,610,479)	-	(6,610,479)	(1,928,227)
(665,517)	-	(665,517)	(553,486)
(31,173,923)	-	(31,173,923)	(25,003,119)
-	833,263	833,263	2,400,439
-	(68,726)	(68,726)	703,361
-	1,006,882	1,006,882	554,290
-	(866,954)	(866,954)	(287,303)
-	904,465	904,465	3,370,787
(31,173,923)	904,465	(30,269,458)	(21,632,332)
5,564,956	-	5,564,956	5,792,092
9,163,133	-	9,163,133	4,435,080
1,339,877	-	1,339,877	1,478,040
1,638,855	-	1,638,855	1,608,176
6,402,912	-	6,402,912	6,637,010
1,540,728	-	1,540,728	1,491,812
3,544,320	-	3,544,320	3,365,156
1,433,302	(291,344)	1,141,958	2,757,622
30,628,083	(291,344)	30,336,739	27,564,988
187,418	(187,418)	-	-
30,815,501	(478,762)	30,336,739	27,564,988
(358,422)	425,703	67,281	5,932,656
56,541,407	42,765,103	99,306,510	93,373,854
<u>\$ 56,182,985</u>	<u>\$ 43,190,806</u>	<u>\$ 99,373,791</u>	<u>\$ 99,306,510</u>

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FUND FINANCIAL STATEMENTS

City of San Bruno, California

Balance Sheet

Governmental Funds

June 30, 2009

(with comparative totals for June 30, 2008)

	Major Funds				
	General	Redevelopment Agency			Federal/State Grants
		Special Revenue	Capital Projects	Debt Service	
ASSETS					
Cash and investments	\$ 4,768,582	\$ 7,565,511	\$ 28,941	\$ 154,269	\$ -
Cash and investments with fiscal agent/trustee	-	-	-	651,392	-
Receivables:					
Taxes	1,275,386	-	-	-	-
Interest	144,493	-	-	-	-
Intergovernmental subventions	-	-	-	-	-
Intergovernmental grants	-	-	-	-	-
Service charges	-	-	-	-	-
Loans	664,998	90,000	-	-	-
Expense reimbursements	-	-	-	-	-
Due from other funds	2,817,362	-	-	-	-
Land held for resale	-	566,000	-	-	-
Advances to other funds	200,700	-	-	-	-
Total assets	<u>\$ 9,871,521</u>	<u>\$ 8,221,511</u>	<u>\$ 28,941</u>	<u>\$ 805,661</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,066,643	\$ 2,733,088	\$ -	\$ -	\$ 3,329
Due to other funds	-	-	-	-	186
Deferred revenue	92,134	-	-	-	-
Advances from other funds	-	1,511,000	1,916,733	-	-
Total liabilities	<u>2,158,777</u>	<u>4,244,088</u>	<u>1,916,733</u>	<u>-</u>	<u>3,515</u>
Fund balances:					
Reserved for:					
Loans receivable	664,998	90,000	-	-	-
Encumbrances	194,860	232,335	-	-	-
Advances	200,700	-	-	-	-
Land held for resale	-	566,000	-	-	-
Unreserved (deficit), designated and reported in:					
General fund	6,652,186	-	-	-	-
Special revenue funds	-	3,089,088	-	-	(3,515)
Capital projects funds	-	-	(1,887,792)	-	-
Debt service funds	-	-	-	805,661	-
Total fund balances	<u>7,712,744</u>	<u>3,977,423</u>	<u>(1,887,792)</u>	<u>805,661</u>	<u>(3,515)</u>
Total liabilities and fund balances	<u>\$ 9,871,521</u>	<u>\$ 8,221,511</u>	<u>\$ 28,941</u>	<u>\$ 805,661</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Measure A Transportation Tax	Street Improvement Capital Projects	Other Governmental Funds	2009	2008
\$ 637,556	\$ -	\$ 6,531,861	\$ 19,686,720	\$ 20,054,109
-	-	-	651,392	659,649
-	-	88,288	1,363,674	1,193,642
-	-	-	144,493	268,866
-	1,322,111	1,234	1,323,345	2,774,986
-	-	311,477	311,477	-
-	-	14,318	14,318	12,252
-	-	-	754,998	633,998
-	-	215	215	178
-	-	-	2,817,362	1,484,319
-	-	-	566,000	566,000
-	-	-	200,700	200,700
<u>\$ 637,556</u>	<u>\$ 1,322,111</u>	<u>\$ 6,947,393</u>	<u>\$ 27,834,694</u>	<u>\$ 27,848,699</u>
\$ -	\$ 67,150	\$ 73,367	\$ 4,943,577	\$ 5,417,444
-	1,063,609	1,044	1,064,839	1,366,766
-	-	-	92,134	251,824
-	-	-	3,427,733	3,427,733
-	1,130,759	74,411	9,528,283	10,463,767
-	-	-	754,998	633,998
-	64,765	240,980	732,940	196,846
-	-	-	200,700	200,700
-	-	-	566,000	566,000
-	-	-	6,652,186	8,670,499
637,556	-	5,857,410	9,580,539	5,817,754
-	126,587	774,589	(986,616)	501,822
-	-	3	805,664	797,313
<u>637,556</u>	<u>191,352</u>	<u>6,872,982</u>	<u>18,306,411</u>	<u>17,384,932</u>
<u>\$ 637,556</u>	<u>\$ 1,322,111</u>	<u>\$ 6,947,393</u>	<u>\$ 27,834,694</u>	<u>\$ 27,848,699</u>

City of San Bruno, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
For the year ended June 30, 2009

Total fund balances - total governmental funds \$ 18,306,411

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 47,502,265

Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are:

Current assets and advances	\$ 9,639,567	
Accounts payable and accrued liabilities	(269,048)	
Net amount allocated to business-type activities	<u>(3,430,542)</u>	5,939,977

Long-term liabilities are not due and payable in the current period and therefore they are not reported in the government's fund balance sheets. Includes internal service funds noncurrent liabilities

Leases payable	(1,047,842)
Accrued interest payable	(215,000)
Liability for claims	(1,843,282)
Certificates of Participation	(8,360,000)
Compensated absences	(2,058,844)
Net OPEB obligation	<u>(2,040,700)</u>

Net assets of governmental activities \$ 56,182,985

The accompanying notes are an integral part of these financial statements.

City of San Bruno, California
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Assets
Governmental Activities
June 30, 2009

	Governmental Funds Balance Sheet	Internal Service Balances	Eliminations Reclassifications	Changes in GAAP	Statement of Net Assets
ASSETS					
Current assets:					
Cash and investments	19,686,720	6,321,416	-	-	26,008,136
Cash and investments with fiscal agent/trustee	651,392	91,118	-	-	742,510
Receivables (net)	3,912,520	-	-	-	3,912,520
Inventory and prepaid items	-	-	-	-	-
Due from other funds	2,817,362	-	(2,817,362)	-	-
Internal balances	-	-	1,752,523	(3,430,542)	(1,678,019)
Other assets	-	-	-	-	-
Total current assets	<u>27,067,994</u>	<u>6,412,534</u>	<u>(1,064,839)</u>	<u>(3,430,542)</u>	<u>28,985,147</u>
Noncurrent assets:					
Advances to other funds	200,700	3,227,033	(3,427,733)	-	-
Land held for resale	566,000	-	-	-	566,000
Deferred charges, net	-	-	-	-	-
Investment in joint venture	-	-	-	-	-
Capital assets not being depreciated:	-	-	-	-	-
Land	-	-	-	561,197	561,197
Construction in progress	-	-	-	750,954	750,954
Capital assets net of accumulated depreciation:	-	-	-	-	-
Infrastructure	-	-	-	33,503,745	33,503,745
Buildings and improvements	-	-	-	9,158,973	9,158,973
Machinery and equipment	-	-	-	3,527,396	3,527,396
Total noncurrent assets	<u>766,700</u>	<u>3,227,033</u>	<u>(3,427,733)</u>	<u>47,502,265</u>	<u>48,068,265</u>
Total assets	<u>27,834,694</u>	<u>9,639,567</u>	<u>(4,492,572)</u>	<u>44,071,723</u>	<u>77,053,412</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	4,943,577	171,824	-	-	5,115,401
Due to other funds	1,064,839	-	(1,064,839)	-	-
Interest payable	-	-	-	215,000	215,000
Deferred revenue	92,134	-	-	-	92,134
Due within one year	-	-	-	548,219	548,219
Compensated absences	-	97,224	-	870,850	968,074
Total current liabilities	<u>6,100,550</u>	<u>269,048</u>	<u>(1,064,839)</u>	<u>1,634,069</u>	<u>6,938,828</u>
Noncurrent liabilities:					
Advances from other funds	3,427,733	-	(3,427,733)	-	-
Compensated absences	-	36,230	-	1,151,764	1,187,994
Due after one year	-	-	-	8,859,623	8,859,623
Liability for claims	-	1,843,282	-	-	1,843,282
Net OPEB obligation	-	-	-	2,040,700	2,040,700
Total noncurrent liabilities	<u>3,427,733</u>	<u>1,879,512</u>	<u>(3,427,733)</u>	<u>12,052,087</u>	<u>13,931,599</u>
Total liabilities	<u>9,528,283</u>	<u>2,148,560</u>	<u>(4,492,572)</u>	<u>13,686,156</u>	<u>20,870,427</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	38,094,423	38,094,423
Restricted for:					
Debt service	805,664	-	-	-	805,664
Other purposes	-	-	-	-	-
Unrestricted (deficit)	17,500,747	7,491,007	-	(7,708,856)	17,282,898
Total net assets	<u>18,306,411</u>	<u>7,491,007</u>	<u>-</u>	<u>30,385,567</u>	<u>56,182,985</u>
Total liabilities and net assets	<u>27,834,694</u>	<u>9,639,567</u>	<u>(4,492,572)</u>	<u>44,071,723</u>	<u>77,053,412</u>

The accompanying notes are an integral part of these financial statements.

City of San Bruno, California

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	Major Funds				
	General	Redevelopment Agency			Federal/State Grants
		Special Revenue	Capital Projects	Debt Service	
REVENUES:					
Taxes	\$ 16,857,432	\$ 9,163,133	\$ -	\$ -	\$ -
Licenses and permits	2,013,146	-	-	-	-
Intergovernmental	3,544,320	-	-	-	87,366
Charges for services	2,812,413	-	-	-	-
Fines and forfeitures	595,645	-	-	-	-
Investment income (loss)	1,477,523	36,490	602	8,051	7
Other revenues	4,680,041	24,000	-	-	-
Total revenues	31,980,520	9,223,623	602	8,051	87,373
EXPENDITURES:					
Current:					
General government	3,831,772	-	-	-	-
Public safety	19,606,624	-	-	-	-
Public works	1,174,750	-	-	-	-
Highways and streets	1,232,836	-	-	-	-
Parks and recreation	4,560,678	-	-	-	-
Library	1,832,611	-	-	-	-
Community development	1,460,989	5,846,277	77,034	-	57,183
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	205,000	-
Interest and fiscal charges	-	200,000	-	442,141	-
Total expenditures	33,700,260	6,046,277	77,034	647,141	57,183
REVENUES OVER (UNDER) EXPENDITURES	(1,719,740)	3,177,346	(76,432)	(639,090)	30,190
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	219,913	-	800,000	647,438	-
Transfers out	(284,637)	(1,447,438)	(621,826)	-	-
Total other financing sources (uses)	(64,724)	(1,447,438)	178,174	647,438	-
Net change in fund balances	(1,784,464)	1,729,908	101,742	8,348	30,190
FUND BALANCES:					
Beginning of year	9,497,208	2,247,515	(1,989,534)	797,313	(33,705)
End of year	\$ 7,712,744	\$ 3,977,423	\$ (1,887,792)	\$ 805,661	\$ (3,515)

The accompanying notes are an integral part of these financial statements.

			Totals	
Measure A Transportation Tax	Street Improvement Capital Projects	Other Governmental Funds	2009	2008
\$ 667,651	\$ -	\$ 1,100,644	\$ 27,788,860	\$ 23,236,735
-	-	1,631,494	3,644,640	4,379,092
-	-	392,831	4,024,517	5,555,835
-	-	-	2,812,413	3,534,085
-	-	53,541	649,186	578,406
(24,251)	37,476	(102,596)	1,433,302	2,287,478
-	82,568	814,840	5,601,449	5,976,311
<u>643,400</u>	<u>120,044</u>	<u>3,890,754</u>	<u>45,954,367</u>	<u>45,547,942</u>
-	-	-	3,831,772	1,114,968
-	-	-	19,606,624	20,849,179
-	-	53,496	1,228,246	1,501,639
-	2,150,746	717,996	4,101,578	4,816,250
-	-	66,970	4,627,648	4,822,377
-	-	71,256	1,903,867	2,028,271
-	-	556,856	7,998,339	4,899,902
-	-	696,590	696,590	906,765
-	-	318,124	523,124	503,713
-	-	60,377	702,518	526,204
-	<u>2,150,746</u>	<u>2,541,665</u>	<u>45,220,306</u>	<u>41,969,268</u>
<u>643,400</u>	<u>(2,030,702)</u>	<u>1,349,089</u>	<u>734,061</u>	<u>3,578,674</u>
-	-	-	-	3,380
-	916,933	920,303	3,504,587	2,963,422
(676,933)	-	(286,335)	(3,317,169)	(2,812,004)
<u>(676,933)</u>	<u>916,933</u>	<u>633,968</u>	<u>187,418</u>	<u>154,798</u>
(33,533)	(1,113,769)	1,983,057	921,479	3,733,472
<u>671,089</u>	<u>1,305,121</u>	<u>4,889,925</u>	<u>17,384,932</u>	<u>13,651,460</u>
<u>\$ 637,556</u>	<u>\$ 191,352</u>	<u>\$ 6,872,982</u>	<u>\$ 18,306,411</u>	<u>\$ 17,384,932</u>

City of San Bruno, California

Reconciliation of Fund Based Statements to Government-wide Statement of Activities

For the year ended June 30, 2009

Functions/Programs	Fund Based Totals	Compensated absences/ Debt Service	Indirect Costs	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund Eliminations	OPEB Obligation	Government- wide Totals
Primary government:								
Governmental activities:								
General government	\$ 3,831,772	\$ 549,648		\$ 162,236	\$ (662,886)	\$ (41,739)	\$ 2,040,700	\$ 5,879,731
Public safety	19,606,624	-		148,229	(28,576)	(100,498)	-	19,625,779
Public works	1,228,246	-		101,474	(62,300)	(11,360)	-	1,256,060
Highways and streets	4,101,578	-		1,656,401	(355,727)	(10,703)	-	5,391,549
Parks and recreation	4,627,648	-		374,665	(184,987)	(57,035)	-	4,760,291
Library	1,903,867	-		19,706	(20,547)	(12,591)	-	1,890,435
Community development	7,998,339	-		331,061	(1,280,164)	(18,391)	-	7,030,845
Capital outlay	696,590	-	-	-	(696,590)	-	-	-
Debt service/Interest expense	1,225,642	(560,125)	-	-	-	-	-	665,517
Total governmental activities	45,220,306	(10,477)	-	2,793,772	(3,291,777)	(252,317)	2,040,700	46,500,207
Business-type activities:								
Water	7,440,413	-	-	-	-	(98,756)	-	7,341,657
Stormwater	735,222	-	-	-	-	(47,944)	-	687,278
Wastewater	8,063,587	-	-	-	-	(8,680)	-	8,054,907
Cable Television	10,758,462	-	-	-	-	(57,795)	-	10,700,667
Total business-type activities	26,997,684	-	-	-	-	(213,175)	-	26,784,509
Total expenditures/expenses	\$ 72,217,990	\$ (10,477)	\$ -	\$ 2,793,772	\$ (3,291,777)	\$ (465,492)	\$ 2,040,700	\$ 73,284,716

The accompanying notes are an integral part of these financial statements.

City of San Bruno, California

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2009

Net change in fund balances- total governmental funds	\$ 921,479
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	12,698,593
Capital asset retirements	(9,406,816)
Depreciation expense	(2,793,772)
	<u>498,005</u>
Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Assets:	
Net OPEB obligation	<u>(2,040,700)</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Capital lease obligation principal payments	318,124
Certificate of participation principal payments	205,000
	<u>523,124</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Interest payable	37,001
Accrued compensated absences	(549,648)
	<u>(512,647)</u>
Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds.	
The net revenue (expense) of the internal service funds \$252,317 attributed to governmental activities	<u>252,317</u>
Change in net assets of governmental activities	<u><u>\$ (358,422)</u></u>

The accompanying notes are an integral part of these financial statements.

City of San Bruno, California

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

Budget to Actual - General and Budgeted Major Special Revenue Funds

For the year ended June 30, 2009

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes	\$ 17,053,731	\$ 17,253,728	\$ 16,857,432	\$ (396,296)
Licenses and permits	3,720,500	2,320,500	2,013,146	(307,354)
Intergovernmental	3,658,425	3,658,425	3,544,320	(114,105)
Charges for services	2,837,053	2,837,053	2,812,413	(24,640)
Fines and forfeitures	453,000	453,000	595,645	142,645
Use of money and property	1,894,639	1,151,639	1,477,523	325,884
Other revenues	3,387,221	3,387,221	4,680,041	1,292,820
Total revenues	<u>33,004,569</u>	<u>31,061,566</u>	<u>31,980,520</u>	<u>918,954</u>
EXPENDITURES:				
Current:				
General government	4,200,091	4,083,291	3,831,772	251,519
Public safety	19,448,648	19,467,948	19,606,624	(138,676)
Public works	742,881	742,881	1,174,750	(431,869)
Highways and streets	1,599,982	1,491,982	1,232,836	259,146
Parks and recreation	4,591,384	4,591,384	4,560,678	30,706
Library	1,747,947	1,715,086	1,832,611	(117,525)
Community development	1,626,785	1,452,585	1,460,989	(8,404)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>33,957,718</u>	<u>33,545,157</u>	<u>33,700,260</u>	<u>(155,103)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(953,149)</u>	<u>(2,483,591)</u>	<u>(1,719,740)</u>	<u>763,851</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Lease proceeds	-	-	-	-
Transfers in	75,000	261,000	219,913	(41,087)
Transfers out	-	-	(284,637)	(284,637)
Total other financing sources (uses)	<u>75,000</u>	<u>261,000</u>	<u>(64,724)</u>	<u>(325,724)</u>
Net change in fund balances	<u>(878,149)</u>	<u>(2,222,591)</u>	<u>(1,784,464)</u>	<u>438,127</u>
FUND BALANCES:				
Beginning of year	9,497,208	9,497,208	9,497,208	-
End of year	<u>\$ 8,619,059</u>	<u>\$ 7,274,617</u>	<u>\$ 7,712,744</u>	<u>\$ 438,127</u>

The accompanying notes are an integral part of these financial statements.

**Redevelopment Agency
Special Revenue**

Original Budget	Amended Budget	Actual	Variance w/Amended Positive (Negative)
\$ 4,603,261	\$ 4,603,261	\$ 9,163,133	\$ 4,559,872
-	-	-	-
-	-	-	-
-	-	-	-
-	-	36,490	36,490
-	-	24,000	24,000
<u>4,603,261</u>	<u>4,603,261</u>	<u>9,223,623</u>	<u>4,620,362</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,828,102	2,828,102	5,846,277	(3,018,175)
-	-	-	-
-	-	-	-
-	-	200,000	(200,000)
<u>2,828,102</u>	<u>2,828,102</u>	<u>6,046,277</u>	<u>(3,218,175)</u>
<u>1,775,159</u>	<u>1,775,159</u>	<u>3,177,346</u>	<u>1,402,187</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(1,447,438)	(1,447,438)
-	-	(1,447,438)	(1,447,438)
<u>1,775,159</u>	<u>1,775,159</u>	<u>1,729,908</u>	<u>(45,251)</u>
<u>2,247,515</u>	<u>2,247,515</u>	<u>2,247,515</u>	<u>-</u>
<u>\$ 4,022,674</u>	<u>\$ 4,022,674</u>	<u>\$ 3,977,423</u>	<u>\$ (45,251)</u>

City of San Bruno, California

Statement of Net Assets

Proprietary Funds

June 30, 2009

(with comparative totals for June 30, 2008)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$ 6,272,498	\$ 1,844,866	\$ 2,807,829
Cash and investments with fiscal agent/trustee	-	-	1,652,502
Accounts receivable	827,742	58,917	917,238
Prepaid items	-	-	-
Total current assets	7,100,240	1,903,783	5,377,569
Noncurrent assets:			
Advance to City of San Bruno Redevelopment Agency	-	-	-
Deferred charges, net	-	-	250,529
Investment in joint venture	-	-	17,782,606
Property, plant and equipment (net)	13,218,672	166,561	13,871,937
Total noncurrent assets	13,218,672	166,561	31,905,072
Total assets	\$ 20,318,912	\$ 2,070,344	\$ 37,282,641
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 786,775	\$ 20,041	\$ 311,454
Due to other funds	-	-	-
Interest payable	-	-	418,389
Unearned revenue	-	-	-
Compensated absences - current	42,693	9,640	63,890
Long term debt - due within one year	-	-	1,093,228
Total current liabilities	829,468	29,681	1,886,961
Noncurrent liabilities:			
Compensated absences - noncurrent	43,590	5,134	43,283
Long term debt - due in more than one year	-	-	21,627,658
Liability for claims - non-current	-	-	-
Total noncurrent liabilities	43,590	5,134	21,670,941
Total liabilities	873,058	34,815	23,557,902
Net Assets			
Invested in capital assets, net of related debt	13,218,672	166,561	9,184,186
Unrestricted (deficit)	6,227,182	1,868,968	4,540,553
Total net assets	19,445,854	2,035,529	13,724,739
Total liabilities and net assets	\$ 20,318,912	\$ 2,070,344	\$ 37,282,641
Reconciliation to government-wide statement of net assets:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,589,253	139,683	771,543
Net assets of business-type activities	\$ 21,035,107	\$ 2,175,212	\$ 14,496,282

The accompanying notes are an integral part of these financial statements.

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2009	2008	2009	2008
\$ 200	\$ 10,925,393	\$ 13,033,112	\$ 6,321,416	\$ 5,471,496
-	1,652,502	1,137,210	91,118	91,137
938,587	2,742,484	2,719,229	-	-
-	-	-	-	-
938,787	15,320,379	16,889,551	6,412,534	5,562,633
-	-	-	3,227,033	3,227,033
-	250,529	261,421	-	-
-	17,782,606	18,678,926	-	-
8,113,528	35,370,698	33,187,266	-	-
8,113,528	53,403,833	52,127,613	3,227,033	3,227,033
\$ 9,052,315	\$ 68,724,212	\$ 69,017,164	\$ 9,639,567	\$ 8,789,666
\$ 658,759	\$ 1,777,029	\$ 2,550,107	\$ 171,824	\$ 321,794
1,752,523	1,752,523	117,553	-	-
-	418,389	436,279	-	-
781,815	781,815	763,422	-	-
77,725	193,948	172,687	97,224	67,201
359,069	1,452,297	1,406,738	-	-
3,629,891	6,376,001	5,446,786	269,048	388,995
92,917	184,924	167,321	36,230	30,009
775,365	22,403,023	23,855,321	-	-
-	-	-	1,843,282	1,345,147
868,282	22,587,947	24,022,642	1,879,512	1,375,156
4,498,173	28,963,948	29,469,428	2,148,560	1,764,151
6,979,094	29,548,513	22,821,582	-	-
(2,424,952)	10,211,751	16,726,154	7,491,007	7,025,515
4,554,142	39,760,264	39,547,736	7,491,007	7,025,515
\$ 9,052,315	\$ 68,724,212	\$ 69,017,164	\$ 9,639,567	\$ 8,789,666
930,063	3,430,542	3,217,367		
\$ 5,484,205	\$ 43,190,806	\$ 42,765,103		

City of San Bruno, California
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2009
(with comparative totals for the year ended June 30, 2008)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 7,981,131	\$ -	\$ -
Sewer service charges	-	-	8,847,632
Cable television charges	-	-	-
Other service charges	94,072	559,635	214,157
Other operating revenue	99,717	58,917	-
Insurance cost allocation	-	-	-
Total operating revenues	<u>8,174,920</u>	<u>618,552</u>	<u>9,061,789</u>
OPERATING EXPENSES:			
Water supply	4,517,022	-	-
Distribution	1,992,229	608,266	-
Customer accounting	228,506	-	-
Treatment	-	-	5,988,799
Cable operations	-	-	-
Central garage	-	-	-
Insurance expenses	-	92,184	-
Equipment replacement	-	-	-
Technology support	-	-	-
Facilities maintenance	-	-	-
Depreciation and amortization	702,656	34,772	1,286,871
Total operating expenses	<u>7,440,413</u>	<u>735,222</u>	<u>7,275,670</u>
OPERATING INCOME (LOSS)	<u>734,507</u>	<u>(116,670)</u>	<u>1,786,119</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	(146,792)	(48,602)	(95,950)
Interest and debt service expenses	-	-	(787,917)
Total non-operating revenues (expenses), net	<u>(146,792)</u>	<u>(48,602)</u>	<u>(883,867)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	587,715	(165,272)	902,252
Transfers out	(93,709)	(83,709)	(10,000)
CHANGE IN NET ASSETS	494,006	(248,981)	892,252
NET ASSETS:			
Beginning of year	18,951,848	2,284,510	12,832,487
End of year	<u>\$ 19,445,854</u>	<u>\$ 2,035,529</u>	<u>\$ 13,724,739</u>
Reconciliation to government-wide statement of net assets:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,589,253	139,683	771,543
Net assets of business-type activities - End of year	<u>\$ 21,035,107</u>	<u>\$ 2,175,212</u>	<u>\$ 14,496,282</u>

The accompanying notes are an integral part of these financial statements.

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds		
Cable Television	Totals		Totals		
	2009	2008	2009	2008	
\$ -	\$ 7,981,131	\$ 7,934,398	\$ -	\$ -	
-	8,847,632	7,933,281	-	-	
9,833,713	9,833,713	9,036,944	-	-	
-	867,864	898,760	2,892,460	2,867,075	
-	158,634	436,997	-	-	
-	-	-	1,829,868	2,151,048	
9,833,713	27,688,974	26,240,380	4,722,328	5,018,123	
-	4,517,022	3,907,806	-	-	
-	2,600,495	2,381,673	-	-	
-	228,506	572,352	-	-	
-	5,988,799	5,759,994	-	-	
9,743,032	9,743,032	9,039,659	-	-	
-	-	-	658,811	610,483	
-	92,184	88,836	2,077,059	1,391,562	
-	-	-	4,300	324,470	
-	-	-	491,602	657,183	
-	-	-	1,025,064	898,517	
943,699	2,967,998	3,023,897	-	-	
10,686,731	26,138,036	24,774,217	4,256,836	3,882,215	
(853,018)	1,550,938	1,466,163	465,492	1,135,908	
-	(291,344)	573,172	-	-	
(71,731)	(859,648)	(905,882)	-	-	
(71,731)	(1,150,992)	(332,710)	-	-	
(924,749)	399,946	1,133,453	465,492	1,135,908	
-	(187,418)	(106,418)	-	(45,000)	
(924,749)	212,528	1,027,035	465,492	1,090,908	
5,478,891	39,547,736	38,520,701	7,025,515	5,934,607	
\$ 4,554,142	\$ 39,760,264	\$ 39,547,736	\$ 7,491,007	\$ 7,025,515	
930,063	3,430,542	1,621,500			
\$ 5,484,205	\$ 43,190,806	\$ 41,169,236			

City of San Bruno, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2009

(with comparative amounts for the year ended June 30, 2008)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	8,352,276	559,635	9,012,856
Cash payments to suppliers for goods and services	(5,825,427)	(488,145)	(5,583,352)
Cash payments to employees for services	(1,197,002)	(196,638)	(969,291)
Cash payments for loss claims	-	-	-
Net cash used by operating activities	1,329,847	(125,148)	2,460,213
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers received from other funds	-	-	-
Transfers paid to other funds	(93,709)	(83,709)	(10,000)
Net cash provided by noncapital financing activities	(93,709)	(83,709)	(10,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,495,099)	-	(1,391,235)
Proceeds from issuance of debt	-	-	-
Acquisition of capacity rights	-	-	(20,949)
Principal payments on long-term debt	-	-	(1,065,488)
Interest paid on long-term debt	-	-	(805,806)
Net cash (used) by capital and related financing activities	(1,495,099)	-	(3,283,478)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received (lost)	(146,792)	(48,602)	(95,950)
Net cash provided by investing activities	(146,792)	(48,602)	(95,950)
Net increase (decrease) in cash and cash equivalents	(405,753)	(257,459)	(929,215)
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,678,251	2,102,325	5,389,546
End of year	<u>\$ 6,272,498</u>	<u>\$ 1,844,866</u>	<u>\$ 4,460,331</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets			
Cash and investments	\$ 6,272,498	\$ 1,844,866	\$ 2,807,829
Cash and investments held by trustees	-	-	1,652,502
Total Cash and Cash Equivalents, End of Year	<u>\$ 6,272,498</u>	<u>\$ 1,844,866</u>	<u>\$ 4,460,331</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:			
Operating income (loss)	\$ 734,507	\$ (116,670)	\$ 1,786,119
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation and amortization	702,656	34,772	1,286,871
(Increase) decrease in current assets:			
Accounts receivable	177,356	(58,917)	(48,933)
Prepaid items	-	-	-
Due from other funds	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(289,486)	19,333	(573,687)
Due to other funds	-	-	-
Unearned revenue	-	-	-
Compensated absences	4,814	(3,666)	9,843
Increase (decrease) in claims liability - noncurrent	-	-	-
Net cash used by operating activities	<u>\$ 1,329,847</u>	<u>\$ (125,148)</u>	<u>\$ 2,460,213</u>

The accompanying notes are an integral part of these financial statements.

Cable Television	Totals		Governmental Activities - Internal Service Funds	
	Totals		Totals	
	2009	2008	2009	2008
\$ -	\$ -	\$ -	\$ 4,722,328	\$ 5,028,454
9,759,343	27,684,110	26,088,046	-	-
(8,045,512)	(19,942,436)	(16,691,026)	(4,370,562)	(3,684,079)
(1,598,889)	(3,961,820)	(3,961,820)	-	-
-	-	-	498,135	(426,242)
114,942	3,779,854	5,435,200	849,901	918,133
1,634,970	1,634,970	117,553	-	-
-	(187,418)	(1,465,917)	-	(45,000)
1,634,970	1,447,552	(1,348,364)	-	(45,000)
(1,336,931)	(4,223,265)	(4,011,916)	-	-
-	-	1,800,000	-	-
-	(20,949)	-	-	-
(341,250)	(1,406,738)	(1,357,650)	-	-
(71,731)	(877,537)	(486,654)	-	-
(1,749,912)	(6,528,489)	(4,056,220)	-	-
-	(291,344)	573,172	-	-
-	(291,344)	573,172	-	-
-	(1,592,427)	603,788	849,901	873,133
200	14,170,322	13,566,534	5,562,633	4,689,500
\$ 200	\$ 12,577,895	\$ 14,170,322	\$ 6,412,534	\$ 5,562,633
\$ 200	\$ 10,925,393	\$ 13,033,112	\$ 6,321,416	\$ 5,471,496
-	1,652,502	1,137,210	91,118	91,137
\$ 200	\$ 12,577,895	\$ 14,170,322	\$ 6,412,534	\$ 5,562,633
\$ (853,018)	\$ 1,550,938	\$ 1,466,163	\$ 465,492	\$ 1,135,908
943,699	2,967,998	3,023,897	-	-
(92,762)	(23,256)	(217,709)	-	10,331
-	-	-	-	-
-	-	-	-	-
70,760	(773,080)	1,123,178	(149,970)	199,404
-	-	-	-	-
18,392	18,392	65,375	-	-
27,871	38,862	(25,704)	36,244	(1,268)
-	-	-	498,135	(426,242)
\$ 114,942	\$ 3,779,854	\$ 5,435,200	\$ 849,901	\$ 918,133

City of San Bruno, California

Statement of Assets and Liabilities

Fiduciary Funds

June 30, 2009

(with comparative totals for June 30, 2008)

	Agency Funds	
	2009	2008
ASSETS		
Cash and investments	\$ 688,763	\$ 618,500
Accounts receivable	521,883	611,520
Total assets	\$ 1,210,646	\$ 1,230,020
LIABILITIES		
Accounts payable	\$ 870,618	\$ 931,510
Other liabilities	340,028	298,510
Total liabilities	\$ 1,210,646	\$ 1,230,020

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2009

Index to Notes to Basic Financial Statements

	<u>Page</u>
Note 1 - Summary of Significant Accounting Policies	53
Financial Reporting Entity	53
Basis of Presentation	53
Measurement Focus and Basis of Accounting	58
Assets, Liabilities, and Equity	59
Revenues, Expenditures and Expenses	63
Budgetary Policies	64
Note 2 – Cash and Investments	65
Note 3 – Accounts Receivable	67
Note 4 – Capital Assets	67
Note 5 – Accounts Payable and Accrued Liabilities	71
Note 6 – Long-Term Debt	71
Note 7 – City of South San Francisco Sewer Plant Agreement	76
Note 8 – Deficit Net Assets/Fund Balances	77
Note 9 – Excess Expenditures over Appropriations	78
Note 10 – Interfund Transactions	78
Note 11 – Risk Management	80
Note 12 – Public Employee Retirement System	81
Plan Description	81
Funding Policy	81
Annual Pension Cost	81
Note 13 – Other Post-Employment Benefits	82
Note 14 – Contingencies	84
Note 15 – Litigation	84

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City of San Bruno, California
Notes to Basic Financial Statements
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City Council acts as the governing body and is able to impose its will on the following organization, establishing financial accountability. As a result, this organization is considered a component unit of the City and is included within the financial statements of the City using the blended method.

Redevelopment Agency of the City of San Bruno

The Redevelopment Agency of the City of San Bruno (Agency) was established July 6, 1999 pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law" and on the same date, the City Council became the governing board. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City of San Bruno. City staff provides management assistance to the Agency. All funds of the Agency have been included in the governmental activities section in the fund financial statements.

The Agency provides services entirely for the benefit of the City of San Bruno, California and the governing body consists solely of members of the City Council; therefore the Agency is treated as a blended component unit. Separate financial statements for the Agency may be obtained at the City of San Bruno's Finance Department.

Basis of Presentation

Government-Wide Financial Statements

The statement of net assets 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 and internal service 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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, 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, liabilities, 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.

The funds of the financial reporting entity are described below:

Governmental Activities

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

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

Capital Project Funds

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

Debt Service Funds

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

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Business-type Activities

Proprietary Funds

Enterprise Funds

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

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. These funds are eliminated as part of the reconciliation process and treated as governmental activities, since these are the primary funds served. The percentage contribution by function to these funds was as follows:

Governmental activities:

General government	9%
Public safety	22%
Public works	2%
Highways and streets	2%
Parks and recreation	12%
Library	3%
Community development	4%

Business-type activities:

Water	21%
Stormwater	2%
Wastewater	10%
Cable	13%

Fiduciary Funds

Agency Funds

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

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund Type</u>	<u>Brief Description</u>
<i>Major:</i>	
General	Primary operating fund of the City: accounts for all activities except those legally or administratively required to be accounted for in other funds.
<i>Special Revenue Funds:</i>	
Redevelopment Agency	Accounts for tax increment revenues received for the operations and general redevelopment and low/moderate housing activities in the redevelopment project areas.
Federal/State Grants	Accounts for activities for the City's grants.
Measure A Transportation Tax	Accounts for funds received to be used for local transportation purposes.
<i>Capital Projects Funds:</i>	
Redevelopment Agency	Accounts for the administration and management of the Agency's capital projects
Street Improvement	Accounts for funds expended for street improvements.
<i>Debt Service Funds:</i>	
Redevelopment Agency	Accounts for the Agency's issuance and administration of the 2000 Certificates of Participation.
<i>Non-Major:</i>	
<u>Special Revenue Funds:</u>	
In-lieu	Accounts for funds received to substitute for standard fees utilized for particular purposes.
Agency on Aging	Accounts for funds received for senior services.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Non-Major:

Special Revenue Funds:
(continued)

Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2105,2106, 2107 and 2107.5 of the Streets and Highway Code and Traffic Congestion Relief.
Library	Accounts for funds received for Library programs and operations.
Police Asset Seizure	Accounts for asset seizure funds to be used on Police programs.
Safety Augmentation	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 SB 322 funds to be used on recycling and litter clean-up programs.
Restricted Donations	Accounts for donations received for specific purposes.
Traffic Safety	Accounts for traffic safety funds.

Debt Service Funds:

General	Accounts for funds related to City Hall capital lease obligation.
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Capital Projects Funds:

General	Accounts for funds expended on general City projects.
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City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement Focus

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

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

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

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The enterprise and internal service funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Enterprise and internal service fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets 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 and agency 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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, continued

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

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

Assets, Liabilities, and Equity

Cash Deposits and Investments

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

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

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

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 Assets. See Note 10 for details of interfund transactions, including receivables and payables at year-end.

Receivables

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

Business-type activities report property taxes, service charges, and expense reimbursements as its major receivables. See Note 3 for additional disclosures. In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, transient tax, franchise tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Intergovernmental accounts receivable comprise the majority of proprietary fund receivables. The City’s experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. Policy has set the capitalization threshold for reporting capital assets at \$10,000 if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Gifts or contributions of capital assets are recorded at fair market value on the date donated. Public domain (infrastructure) general fixed 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 Assets. 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	10 – 50 years
Government buildings and structures	10 – 40 years
Equipment and furnishings	5 – 10 years
Water	5 – 40 years
Stormwater	5 – 40 years
Wastewater	5 – 40 years
Cable Television	5 – 40 years

Fund Financial Statements

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

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Long-Term Debt, continued

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of a capital lease, certificates of participation, compensated absences and a liability for claims.

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

Compensated Absences

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

Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets, net of related debt* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – consists of net assets with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net assets* – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues, Expenditures, and Expenses

Property Tax

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

Lien Date	March 1
Levy Date	July 1
Delinquent Date	December 10 and April 10

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

Expenditures/Expenses

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

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

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

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

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 due to internal service fund eliminations) remaining on the statement of net assets.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Prior Year Data

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

Use of Estimates

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

Budgetary Policies

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Budgets for the General, Major Redevelopment Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
4. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2009, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
5. Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budgetary Policies, continued

6. Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.

7. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.

2. CASH AND INVESTMENTS

At June 30, 2009, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)				Deposits	Fair Market Value
	<1	1 to 2	2 to 3	4 to 5		
<u>Cash equivalents and investments pooled</u>						
Pooled cash, at fair value						
Cash - First National Bank	\$ -	\$ -	\$ -	\$ -	\$ 463,405	\$ 463,405
Petty cash	-	-	-	-	3,765	3,765
Cash held by South San Francisco	-	-	-	-	266,583	266,583
Total pooled items	-	-	-	-	733,753	733,753
Pooled investments, at fair value						
<u>Interest obligations</u>						
Federal Farm Credit Banks	2,050,630	-	-	-	-	2,050,630
Federal Home Loan Bank	2,012,820	2,011,250	-	-	-	4,024,070
Federal Home Loan Mortgage Corporation	-	-	1,002,390	-	-	1,002,390
Federal Natl. Mortgage Assoc.	1,023,130	1,010,000	1,000,630	-	-	3,033,760
Fiscal agent investments - Money Market Accounts	2,128,429	-	-	-	-	2,128,429
Morgan Stanley FDIC Guaranteed Note	-	-	1,011,030	-	-	1,011,030
County of San Mateo Investment Pool	12,161,227	-	-	-	-	12,161,227
State of California Local Agency Investment Fund	13,872,015	-	-	-	-	13,872,015
Total pooled investments - interest obligations	33,248,251	3,021,250	3,014,050	-	-	39,283,551
Total cash equivalents and investments pooled	\$ 33,248,251	\$ 3,021,250	\$ 3,014,050	\$ -	\$ 733,753	\$ 40,017,304
Amounts reported in:						
Governmental activities						\$ 26,750,646
Business-type activities						12,577,895
Fiduciary activities - Agency funds						688,763
Total						\$ 40,017,304

Interest rate risk. In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 2 years.

Credit risk. As of June 30, 2009, the City's investments in money market accounts were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service. The County of San Mateo Investment Pool and State of California Local Agency Investment Fund are not rated.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

Concentration of credit risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is accepted annually by the City Council.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City currently has no deposit policy for custodial credit risk.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

Investment policy: Investments, with the exception of LAIF, 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, credit risk, and concentration of credit risk.

During the year ended June 30, 2009, the City's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	50%	50%
Non-negotiable certificates of deposit	3 years	15%	None
LAIF	N/A	33%	None
Local government investment pools	N/A	33%	None
Medium term corporate notes	3 years	30%	5%
Collateralized negotiable investments	5 years	50%	50%

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, 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.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2009:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Taxes	\$ 1,363,674	\$ -	\$ -	\$ 1,363,674
Interest	144,493	-	-	144,493
Intergovernmental subventions	1,323,345	-	-	1,323,345
Intergovernmental grants	311,477	-	-	311,477
Service charges	14,318	2,742,484	521,883	3,278,685
Loans	754,998	-	-	754,998
Expense reimbursements	215	-	-	215
Total accounts receivable	\$ 3,912,520	\$ 2,742,484	\$ 521,883	\$ 7,176,887

4. CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Nondepreciable:						
Land	\$ 561,197	\$ 561,197	\$ 576,842	\$ 576,842	\$ 1,138,039	\$ 1,138,039
Construction in progress	750,954	9,663,462	5,495,070	6,543,274	6,246,024	16,206,736
Depreciable:						
Infrastructure, net	33,503,745	25,282,016	-	-	33,503,745	25,282,016
Buildings and improvements, net	9,158,973	9,418,184	23,709,755	19,776,271	32,868,728	29,194,455
Machinery and equipment, net	3,527,396	2,079,401	5,589,031	6,290,879	9,116,427	8,370,280
Total	\$ 47,502,265	\$ 47,004,260	\$ 35,370,698	\$ 33,187,266	\$ 82,872,963	\$ 80,191,526

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2009 for governmental activities, was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental activities:				
Non-depreciable:				
Land	\$ 561,197	\$ -	\$ -	\$ 561,197
Construction in process	9,663,462	494,308	(9,406,816)	750,954
Depreciable:				
Infrastructure	57,705,074	9,811,706	-	67,516,780
Buildings and Improvements	13,450,705	117,882	-	13,568,587
Machinery and equipment	5,897,601	2,274,697	-	8,172,298
Total cost	<u>87,278,039</u>	<u>12,698,593</u>	<u>(9,406,816)</u>	<u>90,569,816</u>
Less: accumulated depreciation				
Infrastructure	(32,423,058)	(1,589,977)	-	(34,013,035)
Buildings and Improvements	(4,032,521)	(377,093)	-	(4,409,614)
Machinery and equipment	(3,818,200)	(826,702)	-	(4,644,902)
Total depreciation	<u>(40,273,779)</u>	<u>(2,793,772)</u>	<u>-</u>	<u>(43,067,551)</u>
Net book value				
Non-depreciable:				
Land	\$ 561,197	\$ -	\$ -	\$ 561,197
Construction in process	9,663,462	494,308	(9,406,816)	750,954
Depreciable:				
Infrastructure	25,282,016	8,221,729	-	33,503,745
Buildings and Improvements	9,418,184	(259,211)	-	9,158,973
Machinery and equipment	2,079,401	1,447,995	-	3,527,396
Net book value	<u>\$ 47,004,260</u>	<u>\$ 9,904,821</u>	<u>\$ (9,406,816)</u>	<u>\$ 47,502,265</u>

Depreciation expense for governmental activities for the year ended June 30, 2009 was as follows:

General Government	\$ 162,236
Public Safety	148,229
Public Works	101,474
Highways and Streets	1,656,401
Parks and Recreation	374,665
Library	19,706
Community Development	331,061
	<u>\$ 2,793,772</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2009 for business-type activities, was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<u>Business-type activities:</u>				
Water				
Land	\$ 76,842	\$ -	\$ -	\$ 76,842
Construction in process	2,275,704	1,132,403	-	3,408,107
Buildings and Improvements	14,012,226	-	-	14,012,226
Equipment	2,721,454	362,696	-	3,084,150
Total	<u>19,086,226</u>	<u>1,495,099</u>	<u>-</u>	<u>20,581,325</u>
Stormwater				
Machinery and Equipment	490,903	-	-	490,903
Wastewater				
Land	\$ -	\$ -	\$ -	\$ -
Construction in process	3,960,770	-	(3,517,538)	443,232
Buildings and Improvements	10,562,635	4,892,308	-	15,454,943
Equipment	393,708	16,465	-	410,173
Total	<u>14,917,113</u>	<u>4,908,773</u>	<u>(3,517,538)</u>	<u>16,308,348</u>
Cable Television				
Land	500,000	-	-	500,000
Construction in process	306,800	1,336,931	-	1,643,731
Buildings and Improvements	3,030,888	-	-	3,030,888
Equipment & Furniture	10,290,152	-	-	10,290,152
Total	<u>14,127,840</u>	<u>1,336,931</u>	<u>-</u>	<u>15,464,771</u>
Total cost - Business Activities	<u>\$ 48,622,082</u>	<u>\$ 7,740,803</u>	<u>\$ (3,517,538)</u>	<u>\$ 52,845,347</u>
Totals by category				
Land	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in process	6,543,274	2,469,334	(3,517,538)	5,495,070
Total nondepreciable	<u>\$ 7,120,116</u>	<u>\$ 2,469,334</u>	<u>\$ (3,517,538)</u>	<u>\$ 6,071,912</u>
Depreciable:				
Buildings and Improvements	27,605,749	4,892,308	-	32,498,057
Machinery and Equipment	13,896,217	379,161	-	14,275,378
Total depreciable	<u>41,501,966</u>	<u>5,271,469</u>	<u>-</u>	<u>46,773,435</u>
Total cost by category	<u>\$ 48,622,082</u>	<u>\$ 7,740,803</u>	<u>\$ (3,517,538)</u>	<u>\$ 52,845,347</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. CAPITAL ASSETS, Continued

Accumulated Depreciation for business-type activities was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Water				
Plant:				
Buildings and Improvements	\$ (4,643,444)	\$ (475,940)	\$ -	\$ (5,119,384)
Machinery and Equipment	(2,016,555)	(226,716)	-	(2,243,271)
Total	<u>(6,659,999)</u>	<u>(702,656)</u>	-	<u>(7,362,655)</u>
Net book value	<u>\$ 12,426,227</u>	<u>\$ 792,443</u>	<u>\$ -</u>	<u>\$ 13,218,670</u>
Stormwater				
Machinery and Equipment	(289,571)	(34,772)	-	(324,343)
Net book value	<u>\$ 201,332</u>	<u>\$ (34,772)</u>	<u>\$ -</u>	<u>\$ 166,560</u>
Wastewater				
Buildings and Improvements	\$ (1,758,024)	\$ (337,942)	\$ -	\$ (2,095,966)
Machinery and Equipment	(319,677)	(20,768)	-	(340,445)
Total	<u>(2,077,701)</u>	<u>(358,710)</u>	-	<u>(2,436,411)</u>
Net book value	<u>\$ 12,839,412</u>	<u>\$ 4,550,063</u>	<u>\$ (3,517,538)</u>	<u>\$ 13,871,937</u>
Cable Television				
Buildings and Improvements	(1,428,010)	(144,943)	-	(1,572,953)
Machinery and Equipment	<u>(4,979,535)</u>	<u>(798,756)</u>	-	<u>(5,778,291)</u>
Total	<u>(6,407,545)</u>	<u>(943,699)</u>	-	<u>(7,351,244)</u>
Net book value	<u>\$ 7,720,295</u>	<u>\$ 393,232</u>	<u>\$ -</u>	<u>\$ 8,113,527</u>
Buildings and Improvements	(7,829,478)	(958,825)	-	(8,788,303)
Machinery and Equipment	<u>(7,605,338)</u>	<u>(1,081,012)</u>	-	<u>(8,686,350)</u>
Total Depreciable	<u>\$ (15,434,816)</u>	<u>\$ (2,039,837)</u>	<u>\$ -</u>	<u>\$ (17,474,653)</u>
Land	\$ 576,842	\$ -	\$ -	576,842
Construction in process	6,543,274	2,469,334	(3,517,538)	5,495,070
Buildings and Improvements	19,776,271	3,933,483	-	23,709,754
Machinery and Equipment	<u>6,290,879</u>	<u>(701,851)</u>	-	<u>5,589,028</u>
Total Capital Assets	<u>\$ 33,187,266</u>	<u>\$ 5,700,966</u>	<u>\$ (3,517,538)</u>	<u>\$ 35,370,694</u>

Depreciation and amortization expense for business-type activities for the year ended June 30, 2009 was as follows:

Water	\$ 702,656
Stormwater	34,772
Wastewater	358,710
Cable Television	<u>943,699</u>
Total depreciation expense	2,039,837
Wastewater - amortization	<u>928,161</u>
Total depreciation and amortization expense	<u>\$ 2,967,998</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2009:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 3,851,385	\$ 1,777,029	\$ 870,618	\$ 6,499,032
Deposits	394,546	-	-	394,546
Accrued payroll	869,470	-	-	869,470
Total	\$ 5,115,401	\$ 1,777,029	\$ 870,618	\$ 7,763,048

These amounts resulted in the following concentrations in payables:

Vendors 84% Deposits 5% Employees 11%

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Due within one year
Governmental activities:					
2000 Certificates of Participation	\$ 8,565,000	\$ -	\$ (205,000)	\$ 8,360,000	\$ 215,000
Capital Lease Obligations	1,365,966	-	(318,124)	1,047,842	333,219
Compensated Absences	1,570,176	911,172	(325,280)	2,156,068	968,074
Liability for claims	1,345,147	1,388,318	(890,183)	1,843,282	-
Total governmental activities	<u>\$ 12,846,289</u>	<u>\$ 2,299,490</u>	<u>\$ (1,738,587)</u>	<u>\$ 13,407,192</u>	<u>\$ 1,516,293</u>
Compensated absences, current	<u>\$ 665,844</u>	<u>\$ 430,267</u>	<u>\$ (128,037)</u>	<u>\$ 968,074</u>	
Total	<u>665,844</u>	<u>430,267</u>	<u>(128,037)</u>	<u>968,074</u>	
Compensated absences, non-current	904,332	480,905	(197,243)	1,187,994	
Due within one year	523,124	25,095	-	548,219	
Due after one year	9,407,842	-	(548,219)	8,859,623	
Liability for claims	1,345,147	1,388,318	(890,183)	1,843,282	
Total	<u>12,180,445</u>	<u>1,894,318</u>	<u>(1,635,645)</u>	<u>12,439,118</u>	
Grand Total	<u>\$ 12,846,289</u>	<u>\$ 2,324,585</u>	<u>\$ (1,763,682)</u>	<u>\$ 13,407,192</u>	

Governmental activities:

2000 Certificates of Participation

During December 2000 the City issued \$9,600,000 in Series 2000 Certificates of Participation for the construction of a police facility. Principal and interest payments are due annually on February 1. Interest rates range from 5.25% to 7.00%.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

Governmental activities (continued)

2000 Certificates of Participation, continued

The Agency has agreed under a separate agreement to reimburse the City for all costs associated with the construction of the San Bruno/BART Police Station including all debt service costs.

Capital Lease Obligation

At June 30, 2009, Capital Lease Obligations consisted of the following:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Governmental activities:				
City Hall Remodel	\$ 1,365,966	\$ -	\$ (318,124)	\$ 1,047,842
Total governmental activities	<u>\$ 1,365,966</u>	<u>\$ -</u>	<u>\$ (318,124)</u>	<u>\$ 1,047,842</u>

City Hall Remodel and Update Project

During August 2005 the City entered into a \$2,253,665 capital lease with GE Capital Public Finance, Inc. to retire a lease for energy conservation improvements and finance City Hall remodeling and improvements. Principal and interest payments are due semi-annually on August 1 and December 1 with an interest rate of 4.69%.

Compensated Absences

Compensated absences at June 30, 2009, amounted to \$2,156,068 and \$378,870 for the governmental activities and business-type activities respectively. The City utilizes a methodology based upon actual vacation and sick leave usage in the fund in which the related compensation is paid. All governmental balances are liquidated through the General Fund. There is no fixed payment schedule for compensated absences.

Claims Payable

With the implementation of Governmental Accounting Standards Board Statement No. 10, "Accounting for Financial Reporting for Risk Financing and Related Insurance Issues" the Self-insurance Internal Service Fund reflects the financial effect of risk financing activities of \$1,843,282 (see note 11 for further discussion). Claims are paid in the form of internal charges based upon departmental claims activity.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

Year Ending June 30,	Governmental activities					
	2000		Capital		Totals	
	Certificates of Participation		Lease Obligations			
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 215,000	\$ 430,200	\$ 333,219	\$ 45,282	\$ 548,219	\$ 475,482
2011	225,000	419,988	349,031	29,470	574,031	449,458
2012	240,000	409,638	365,592	12,909	605,592	422,547
2013	250,000	398,358	-	-	250,000	398,358
2014	260,000	386,358	-	-	260,000	386,358
2015-2019	1,510,000	1,723,975	-	-	1,510,000	1,723,975
2020-2024	1,950,000	1,291,501	-	-	1,950,000	1,291,501
2025-2029	2,510,000	724,239	-	-	2,510,000	724,239
2030-2031	1,200,000	95,288	-	-	1,200,000	95,288
Total	<u>\$ 8,360,000</u>	<u>\$ 5,879,545</u>	<u>\$ 1,047,842</u>	<u>\$ 87,661</u>	<u>\$ 9,407,842</u>	<u>\$ 5,967,206</u>
Due within one year	\$ 215,000	\$ 430,200	\$ 333,219	\$ 45,282	\$ 548,219	\$ 475,482
Due after one year	8,145,000	5,449,345	714,623	42,379	8,859,623	5,491,724
Total	<u>\$ 8,360,000</u>	<u>\$ 5,879,545</u>	<u>\$ 1,047,842</u>	<u>\$ 87,661</u>	<u>\$ 9,407,842</u>	<u>\$ 5,967,206</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Due within one year
Business-type activities:					
2002 Certificates of Participation	\$ 8,890,000	\$ -	\$ (205,000)	\$ 8,685,000	\$ 210,000
Capital Lease Obligation	1,475,684		(341,250)	1,134,434	359,069
Compensated Absences	340,008	38,864		378,872	193,948
Due to City of South San Francisco:					
1993 Loan	1,069,732	-	(165,378)	904,354	170,339
1999 Loan	7,246,044	-	(401,154)	6,844,890	411,584
2007 Loan	6,580,599	-	(293,956)	6,286,643	301,305
Total business-type activities	<u>25,602,067</u>	<u>38,864</u>	<u>(1,406,738)</u>	<u>24,234,193</u>	<u>\$ 1,646,245</u>
Total long-term debt	<u>\$ 25,602,067</u>	<u>\$ 38,864</u>	<u>\$ (1,406,738)</u>	<u>\$ 24,234,193</u>	
Compensated absences, current	\$ 172,687	\$ 21,261	\$ -	\$ 193,948	
Total	<u>172,687</u>	<u>21,261</u>	<u>-</u>	<u>193,948</u>	
Compensated absences, non-current	167,321	17,603	-	184,924	
Due within one year	1,406,738	45,559	-	1,452,297	
Due after one year	23,855,321	2,889,732		26,745,053	
Total	<u>25,429,380</u>	<u>2,952,894</u>	<u>-</u>	<u>28,382,274</u>	
Grand Total	<u>\$ 25,602,067</u>	<u>\$ 2,974,155</u>	<u>\$ -</u>	<u>\$ 28,576,222</u>	

Business-type activities:

2002 Certificates of Participation

During May 2002 the City issued \$9,800,000 in Series 2002 Certificates of Participation for the construction of various improvements to the City's Wastewater System. Principal and interest payments are due annually on January 1 and July 1. Interest rates range from 2.25% to 5.00%.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

Capital Lease Obligations

At June 30, 2009, Capital Lease Obligations consisted of the following:

	Balance			Balance	
	July 1, 2008	Additions	Retirements	June 30, 2009	
Business-type activities:					
Cable TV Set-top boxes	\$ 1,475,684	\$ -	\$ (341,250)	\$ 1,134,434	
Total business-type activities	\$ 1,475,684	\$ -	\$ (341,250)	\$ 1,134,434	

Cable TV Set-top boxes

On December 1, 2008 the City entered into a \$1,800,000 capital lease with GE Capital Public Finance, Inc. to purchase set-top boxes for the Cable TV enterprise operation. Principal and interest payments are due semi-annually on June 1 and December 1 with an interest rate of 5.15%.

The annual debt service requirements to maturity for all amounts, except compensated absences and claims payable, at June 30, 2009, were as follows:

Year Ending June 30,	Business-type activities							
	2002		Capital Lease		Due to		Totals	
	Certificates of Participation		Obligation		South San Francisco			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 210,000	\$ 413,640	\$ 359,069	\$ 53,913	\$ 883,228	\$ 362,264	\$ 1,452,297	\$ 829,817
2011	215,000	405,775	377,818	35,164	906,572	338,920	1,499,390	779,859
2012	225,000	397,303	397,546	15,436	930,536	314,956	1,553,082	727,695
2013	235,000	388,215	-	-	955,136	290,356	1,190,136	678,571
2014	245,000	378,493	-	-	980,389	265,102	1,225,389	643,595
2015-2019	1,385,000	1,719,774	-	-	4,256,471	983,637	5,641,471	2,703,411
2020-2024	1,735,000	1,352,015	-	-	4,239,886	410,672	5,974,886	1,762,687
2025-2029	2,220,000	861,134	-	-	883,668	33,274	3,103,668	894,408
2030-2033	2,215,000	233,828	-	-	-	-	2,215,000	233,828
Total	\$ 8,685,000	\$ 6,150,177	\$ 1,134,434	\$ 104,512	\$ 14,035,886	\$ 2,999,181	\$ 23,855,320	\$ 9,253,870
Due within one year	\$ 210,000	\$ 413,640	\$ 359,069	\$ 53,913	\$ 883,228	\$ 362,264	\$ 1,452,297	\$ 829,817
Due after one year	8,475,000	5,736,537	775,364	50,600	13,152,658	2,636,917	22,403,022	8,424,054
Total	\$ 8,685,000	\$ 6,150,177	\$ 1,134,434	\$ 104,512	\$ 14,035,886	\$ 2,999,181	\$ 23,855,320	\$ 9,253,870

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. CITY OF SOUTH SAN FRANCISCO SEWER PLANT AGREEMENT

The City entered into an agreement with the City of South San Francisco (SSF) to jointly own, maintain and 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.

The City's share of operating expenses for 2008-09 was \$3,069,883 and is included in treatment expenses in the Statement of Revenues, Expenses and Changes in Net Assets in the Fund Financial Statements. The City also shares in the cost of on-going capital improvements, which are capitalized and depreciated over a 25 year period. During 2008-09 the City paid \$1,296,062 to SSF for these improvements.

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, \$50.5 million in August 2003 and \$21.8 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 and are classified as Due to SSF as shown in Note 6. The City's portion that was financed through this agreement totaled \$19,170,177 depreciable and payable over a 25 year period.

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Capital Investment:				
Financed	\$ 19,170,177	\$ -	\$ -	\$ 19,170,177
Contributed	3,761,556	20,949	-	3,782,505
Total Capital Investment	<u>22,931,733</u>	<u>20,949</u>	<u>-</u>	<u>22,952,682</u>
Accumulated Depreciation:				
Financed	(3,800,186)	(825,975)	-	(4,626,161)
Contributed	(452,621)	(91,294)	-	(543,915)
Total Capital Investment	<u>(4,252,807)</u>	<u>(917,269)</u>	<u>-</u>	<u>(5,170,076)</u>
Net Book Value:				
Financed	15,369,991	(825,975)	-	14,544,016
Contributed	3,308,935	(70,345)	-	3,238,590
Total Net Book Value	<u>\$ 18,678,926</u>	<u>\$ (896,320)</u>	<u>\$ -</u>	<u>\$ 17,782,606</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. CITY OF SOUTH SAN FRANCISCO SEWER PLANT AGREEMENT, Continued

The City's share of the loan obligations is summarized as follows:

	SSF Original Loan	City's Share	SSF Loan Balance June 30, 2009	City's Share	City's Share %
1993 Capital Project State Water Resources Loan	\$ 8,842,852	\$ 2,918,141	\$ 2,740,467	\$ 904,354	33%
1999 Capital Project State Water Resources Loan	50,553,782	9,104,859	38,005,540	6,844,890	18%
2007 Capital Project State Water Resources Loan	21,856,810	7,147,177	19,225,209	6,286,643	33%
Total	<u>\$ 81,253,444</u>	<u>\$ 19,170,177</u>	<u>\$ 59,971,216</u>	<u>\$ 14,035,887</u>	

8. DEFICIT NET ASSETS/FUND BALANCES

Deficit net assets balances consisted of the following:

Business-type activities

Cable Television Enterprise Fund had an unrestricted net assets deficit in the amount of (\$2,424,952) to be eliminated through future service charges.

Deficit fund balances consisted of the following:

Major Funds:

Redevelopment Agency Capital Projects Fund (\$1,887,792) to be funded through future property tax increment.

Federal/State Grants Special Revenue Fund (\$3,515) will be funded through future revenue on cost-reimbursement grants.

Nonmajor Funds:

Safety Augmentation Special Revenue Fund (\$1,044) will be eliminated through future intergovernmental revenues.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

9. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following major and non-major governmental funds had an excess of expenditures over appropriations:

Major Funds:

General Fund (\$155,103), which was covered by existing fund balance and positive variances in revenues.

Redevelopment Agency Special Revenue Fund (\$3,018,175), which was covered by positive variances in revenues.

Non-major Funds:

Restricted Donations Special Revenue Fund (\$34,356), which was covered by current year revenues and existing fund balance.

10. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2009:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds:</u>		
<u>Governmental Activities</u>		
General Fund	\$ 2,817,362	\$ -
Federal/State Grant Special Revenue Fund	-	186
Street Improvement Capital Projects	-	1,063,609
<u>Business-type Activities</u>		
Cable Television	-	1,752,523
<u>Nonmajor Funds:</u>		
<u>Governmental Activities</u>		
Safety Augmentation Special Revenue	-	1,044
Total	<u>\$ 2,817,362</u>	<u>\$ 2,817,362</u>

Due to and from balances are a result of uncollected amounts or unreimbursed costs to be received or paid within 90 days of year end.

Advances to/from other funds

The General Fund and General Equipment Reserve Internal Service Fund have advanced the Redevelopment Agency Special Revenue Fund and Redevelopment Agency Capital Projects Fund for the financing of Redevelopment operations, which will be repaid through future tax increment revenues.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

10. INTERFUND TRANSACTIONS, Continued

Advances to/from other funds, continued

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
<u>Major Funds:</u>		
<u>Governmental Activities</u>		
General Fund	\$ 200,700	\$ -
Redevelopment Agency Special Revenue Fund	-	1,511,000
Redevelopment Agency Capital Projects Fund	-	1,916,733
<u>Nonmajor Funds:</u>		
<u>Governmental Activities</u>		
General Equipment Reserve Internal Service Fund	3,227,033	-
Total	<u>\$ 3,427,733</u>	<u>\$ 3,427,733</u>

Transfers consisted of the following at June 30, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds:</u>		
<u>Governmental Activities</u>		
General Fund	\$ 219,913	\$ 284,637
Redevelopment Agency Special Revenue	-	1,447,438
Redevelopment Agency Capital Projects	800,000	621,826
Redevelopment Agency Debt Service	647,438	-
Measure A Transportation Tax	-	676,933
Street Improvement Capital Projects	916,933	-
Total Governmental Activities	<u>2,584,284</u>	<u>3,030,834</u>
<u>Business-type Activities</u>		
Water	-	93,709
Stormwater	-	83,709
Wastewater	-	10,000
Total Business-Type Activities	<u>-</u>	<u>187,418</u>
Total Major Funds	<u>2,584,284</u>	<u>3,218,252</u>
<u>Non-major Funds:</u>		
<u>Governmental Activities</u>		
In-lieu	-	60,300
Library Special Revenue	305,200	75,000
Safety Augmentation	-	87,689
Police	-	57,224
Restricted Donations	-	6,122
General Capital Projects	615,103	-
Total	<u>\$ 3,504,587</u>	<u>\$ 3,504,587</u>

Transfers reflect amounts recorded in Special Revenue Funds for shared capital projects or debt service and costs amongst funds, outlined as follows:

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

10. INTERFUND TRANSACTIONS, Continued

Transfers, continued

Redevelopment Agency transfers consisted of amounts remaining within the Redevelopment Agency from Special Revenue to Capital Projects and Debt Service and a transfer of \$621,826 to the Streets Capital Projects Fund for a shared project.

Measure A Transportation and Gas Tax to Street Improvement Capital Projects.

The Library Special Revenue Fund transfer out to the General Fund was to fund expenditures in the General Fund for Library Services.

General Fund, Water, Stormwater, Wastewater, In-lieu, Library, Restricted Donations and the Technology Development transfers out were transferred to the General Capital Projects Fund for various projects funded by revenues collected in these funds.

11. RISK MANAGEMENT

The City is self-insured for claims arising from employee injuries, general and automobile claims, property and vehicle losses, earthquake damage, and flood and storm water damage.

The City, including the District, purchases several insurance policies to protect against catastrophic loss. (1) Workers' Compensation insurance with a limit of \$25,000,000 per occurrence and a self insured retention of \$750,000 per occurrence. (2) General Liability and Automobile Liability with \$10,000,000 limit per occurrence subject to a \$250,000 self insured retention per occurrence, except Employment Liability Claims are subject to a \$500,000 self insured retention per occurrence. (3) A Master Property Insurance Policy covers the City's real and personal property on a replacement cost basis with a \$10,000 deductible. As respects vehicles and motorized contractor's equipment, only selected high value items are specifically insured with various deductibles.

The retained earnings/net assets of the self-insurance funds, which are categorized as 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. The last actuarial valuation was performed on February 15, 2008 for the fiscal year ended June 30, 2009.

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2007-2008	\$ 1,771,389	\$ 358,884	\$ (785,126)	\$ 1,345,147
2008-2009	1,345,147	1,388,318	(890,183)	1,843,282

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City contributes to the California Public Employees' Retirement System (CALPERS) a cost sharing multiple-employer defined benefit pension plan. CALPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CALPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CALPERS' annual financial report may be obtained from their executive office 400 P Street, Sacramento, CA, 95814.

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of some City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 14.479% for miscellaneous employees, and 30.784% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CALPERS.

Annual Pension Cost

The City's annual pension cost of \$4,465,301 for CALPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% of investment rate of return (net of administrative expenses) and (b) 3.25% to 14.45% projected annual salary increases that vary by age, duration of service and type of employment. Both (a) and (b) included an inflation component of 3%.

The actuarial value of CALPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). CALPERS has increased the future rate the City pays to reflect an unfunded condition in the plan.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2007	\$ 3,880,399	100%	-
June 30, 2008	3,932,467	100%	-
June 30, 2009	4,465,301	100%	-

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. POST-EMPLOYMENT HEALTHCARE PLAN

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

Eligibility: Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a PERS pension. Membership of the plan consisted of the following at June 30, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	103
Other participants fully eligible for benefits	16
Other participants not yet fully eligible for benefits	205
Total	324

City's Funding Policy: The Teamsters Local #856 Health and Welfare Trust Fund determine the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2008-09, the City's estimated benefit payment was \$742,000 to the plan; this amount is different than the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund since this is the calculated benefit cost for the City's retirees and includes the cost of implicit subsidies where applicable.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. POST-EMPLOYMENT HEALTHCARE PLAN, Continued

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$2,782,700
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	2,782,700
Contributions made (including premiums paid)	(742,000)
Increase in net OPEB obligation	0
Net OPEB obligation-beginning of year	0
Net OPEB obligation-end of year	\$2,040,700

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2006 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/07	N / A	N / A	N / A
6/30/08	N / A	N / A	N / A
6/30/09	\$2,780,700	26.6%	\$2,040,700

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2008, was as follows:

Actuarial accrued liability (AAL)	\$33,843,700
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$33,843,700
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$23,779,500
UAAL as a percentage of covered payroll	142%

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. POST-EMPLOYMENT HEALTHCARE PLAN, Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Cost Method. The actuarial assumptions included a 3.5 percent investment rate of return, which is the expected long-term rate of return on the City's pooled investments (per GASB 43/45 guidelines for this assumption), and an annual cost trend rate of 5 percent for all benefit costs. The UAAL is being amortized using a level dollar method over 30 years.

14. 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, 2009, 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.

15. LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION

City of San Bruno, California
Required Supplementary Information
For the year ended June 30, 2009

STATE OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**MISCELLANEOUS
EMPLOYEES**

Actuarial Valuation Date	Accrued Liability	Actuarial Value of Assets (AVA)	Unfunded Liability (UL)	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
June 30, 2006	62,858,380	53,996,669	8,861,711	85.9%	10,545,014	84.0%
June 30, 2007	66,778,802	58,767,880	8,010,922	88.0%	11,019,013	72.7%
June 30, 2008	73,892,565	63,208,726	10,683,839	85.5%	11,779,042	90.7%

SAFETY EMPLOYEES

Actuarial Valuation Date	Accrued Liability	Actuarial Value of Assets (AVA)	Unfunded Liability (UL)	Funded Ratio	Annual Covered Payroll	UL as a % of Payroll
June 30, 2006	7,278,049,834	6,102,615,567	1,175,434,267	83.8%	754,730,438	155.7%
June 30, 2007	7,986,055,176	6,826,599,459	1,159,455,717	85.5%	831,607,658	139.4%
June 30, 2008	8,700,467,733	7,464,927,716	1,235,540,017	85.8%	914,840,596	135.1%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of San Bruno, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(with comparative totals for June 30, 2008)

	Special Revenue Funds				
	In-Lieu	Agency on Aging	Gas Tax	Library Special Revenue	Police Asset Seizure
ASSETS					
Cash and investments	\$ 3,467,450	\$ 16,351	\$ 697,648	\$ 716,311	\$ 63,815
Cash and investments with fiscal agents	-	-	-	-	-
Receivables:					
Taxes	-	-	88,288	-	-
Fines	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental subventions	-	-	-	-	1,234
Intergovernmental grants	-	-	-	-	-
Service charges	-	14,318	-	-	-
Loans	-	-	-	-	-
Expense reimbursements	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 3,467,450</u>	<u>\$ 30,669</u>	<u>\$ 785,936</u>	<u>\$ 716,311</u>	<u>\$ 65,049</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 23,358	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>23,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Designated					
Donations	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	3,467,450	7,311	785,936	716,311	65,049
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total fund balances	<u>3,467,450</u>	<u>7,311</u>	<u>785,936</u>	<u>716,311</u>	<u>65,049</u>
Total liabilities and fund balances	<u>\$ 3,467,450</u>	<u>\$ 30,669</u>	<u>\$ 785,936</u>	<u>\$ 716,311</u>	<u>\$ 65,049</u>

Special Revenue Funds		
Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ -	\$ 10	\$ 144,736
-	-	-
-	-	-
-	-	-
-	36,672	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 36,682</u>	<u>\$ 144,736</u>
\$ -	\$ -	\$ 306
1,044	-	-
-	-	-
<u>1,044</u>	<u>-</u>	<u>306</u>
-	-	18,350
-	-	-
(1,044)	36,682	126,080
-	-	-
-	-	-
<u>(1,044)</u>	<u>36,682</u>	<u>144,430</u>
<u>\$ -</u>	<u>\$ 36,682</u>	<u>\$ 144,736</u>

(continued)

City of San Bruno, California

Combining Balance Sheet

Nonmajor Governmental Funds, Continued

June 30, 2009

(with comparative totals for June 30, 2008)

	Special Revenue Funds		
	Restricted Donations	Traffic Safety	Total
ASSETS			
Cash and investments	\$ 634,681	\$ 21,015	\$ 5,762,017
Restricted pooled cash and investments	-	-	-
Receivables:			
Taxes	-	-	88,288
Fines	-	-	-
Interest	-	-	-
Intergovernmental subventions	-	-	1,234
Intergovernmental grants	-	-	36,672
Service charges	-	-	14,318
Loans	-	-	-
Expense reimbursements	215	-	215
Due from other funds	-	-	-
Total assets	\$ 634,896	\$ 21,015	\$ 5,902,744
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,276	\$ -	\$ 25,940
Due to other funds	-	-	1,044
Deferred revenue	-	-	-
Total liabilities	2,276	-	26,984
Fund Balances:			
Reserved for:			
Encumbrances	-	-	18,350
Designated			
Donations	632,620	-	632,620
Unreserved, reported in:			
Special revenue funds	-	21,015	5,224,790
Capital projects funds	-	-	-
Debt service funds	-	-	-
Total fund balances	632,620	21,015	5,875,760
Total liabilities and fund balances	\$ 634,896	\$ 21,015	\$ 5,902,744

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2009	2008
\$	769,841	\$	3	\$ 6,531,861	\$ 5,096,490
			-	-	1,457
	-		-	88,288	188,479
	-		-	-	-
	-		-	-	-
	-		-	1,234	9,659
	274,805		-	311,477	-
	-		-	14,318	12,252
	-		-	-	-
	-		-	215	178
	-		-	-	-
<u>\$</u>	<u>1,044,646</u>	<u>\$</u>	<u>3</u>	<u>\$ 6,947,393</u>	<u>\$ 5,308,515</u>
\$	47,427	\$	-	\$ 73,367	\$ 409,371
	-		-	1,044	1,754
	-		-	-	7,465
	<u>47,427</u>		<u>-</u>	<u>74,411</u>	<u>418,590</u>
	222,630		-	240,980	-
	-		-	632,620	594,664
	-		-	5,224,790	3,020,025
	774,589		-	774,589	1,275,236
			3	3	-
	<u>997,219</u>		<u>3</u>	<u>6,872,982</u>	<u>4,889,925</u>
<u>\$</u>	<u>1,044,646</u>	<u>\$</u>	<u>3</u>	<u>\$ 6,947,393</u>	<u>\$ 5,308,515</u>

(concluded)

City of San Bruno, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	Special Revenue Funds				
	In-Lieu	Agency on Aging	Gas Tax	Library Special Revenue	Police Asset Seizure
REVENUES:					
Taxes	\$ -	\$ -	\$ 1,100,644	\$ -	\$ -
Licenses and permits	1,541,853	-	-	-	-
Intergovernmental	-	77,448	-	53,303	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	53,541
Investment income (loss)	(36,675)	210	(6,986)	(4,616)	665
Other revenues	-	-	-	-	-
Total revenues	1,505,178	77,658	1,093,658	48,687	54,206
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Highways and streets	-	-	717,996	-	-
Parks and recreation	-	66,970	-	-	-
Library	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	66,970	717,996	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,505,178	10,688	375,662	48,687	54,206
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	305,200	-
Transfers out	(60,300)	-	-	(75,000)	-
Total other financing sources and uses	(60,300)	-	-	230,200	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	1,444,878	10,688	375,662	278,887	54,206
FUND BALANCES:					
Beginning of year	2,022,572	(3,377)	410,274	437,424	10,843
End of year	\$ 3,467,450	\$ 7,311	\$ 785,936	\$ 716,311	\$ 65,049

Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ -	\$ -	\$ -
-	-	-
87,689	93,896	73,030
-	-	-
-	-	-
(1,044)	10	(3,327)
-	-	-
86,645	93,906	69,703
-	-	-
-	-	-
-	-	53,496
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	53,496
86,645	93,906	16,207
(87,689)	(57,224)	-
(87,689)	(57,224)	-
(1,044)	36,682	16,207
-	-	128,223
\$ (1,044)	\$ 36,682	\$ 144,430

City of San Bruno, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	Special Revenue Funds		
	Restricted Donations	Traffic Safety	Total
REVENUES:			
Taxes	\$ -	\$ -	\$ 1,100,644
Licenses and permits	89,641	-	1,631,494
Intergovernmental	-	7,465	392,831
Charges for services	-	-	-
Fines and forfeitures	-	-	53,541
Investment income (loss)	(14,277)	(516)	(66,556)
Other revenues	39,970	-	39,970
Total revenues	115,334	6,949	3,151,924
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	53,496
Highways and streets	-	-	717,996
Parks and recreation	-	-	66,970
Library	71,256	-	71,256
Community development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	71,256	-	909,718
REVENUES OVER (UNDER) EXPENDITURES	44,078	6,949	2,242,206
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	305,200
Transfers out	(6,122)	-	(286,335)
Total other financing sources and uses	(6,122)	-	18,865
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	37,956	6,949	2,261,071
FUND BALANCES:			
Beginning of year	594,664	14,066	3,614,689
End of year	<u>\$ 632,620</u>	<u>\$ 21,015</u>	<u>\$ 5,875,760</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2009	2008
\$	-	\$	-	\$ 1,100,644	\$ 779,723
	-		-	1,631,494	1,405,182
	-		-	392,831	450,841
	-		-	-	-
	-		-	53,541	1,528
	(36,040)		-	(102,596)	9,500
	396,366		378,504	814,840	733,875
	360,326		378,504	3,890,754	3,380,649
	-		-	-	-
	-		-	-	-
	-		-	53,496	51,647
	-		-	717,996	981,647
	-		-	66,970	73,500
	-		-	71,256	42,451
	556,856		-	556,856	513,535
	696,590		-	696,590	906,765
	-		318,124	318,124	303,713
	-		60,377	60,377	76,766
	1,253,446		378,501	2,541,665	2,950,024
	(893,120)		3	1,349,089	430,625
	615,103		-	920,303	955,076
	-		-	(286,335)	(788,607)
	615,103		-	633,968	166,469
	(278,017)		3	1,983,057	597,094
	1,275,236		-	4,889,925	4,292,831
\$	997,219	\$	3	\$ 6,872,982	\$ 4,889,925

(concluded)

City of San Bruno, California
In-Lieu Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 1,445,000	\$ 1,445,000	\$ 1,541,853	\$ 96,853
Investment income (loss)	-	-	(36,675)	(36,675)
Total revenues	<u>1,445,000</u>	<u>1,445,000</u>	<u>1,505,178</u>	<u>60,178</u>
EXPENDITURES:				
Current:				
Parks and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>1,445,000</u>	<u>1,445,000</u>	<u>1,505,178</u>	<u>60,178</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(38,000)	(38,000)	(60,300)	(22,300)
Total other financing sources (uses)	<u>(38,000)</u>	<u>(38,000)</u>	<u>(60,300)</u>	<u>(22,300)</u>
Net change in fund balances	1,407,000	1,407,000	1,444,878	37,878
FUND BALANCES:				
Beginning of year	<u>2,022,572</u>	<u>2,022,572</u>	<u>2,022,572</u>	-
End of year	<u>\$ 3,429,572</u>	<u>\$ 3,429,572</u>	<u>\$ 3,467,450</u>	<u>\$ 37,878</u>

City of San Bruno, California

Agency on Aging Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual**

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 73,500	\$ 73,500	\$ 77,448	\$ 3,948
Investment income (loss)	-	-	210	210
Total revenues	<u>73,500</u>	<u>73,500</u>	<u>77,658</u>	<u>4,158</u>
EXPENDITURES:				
Current:				
Parks and recreation	73,500	73,500	66,970	6,530
Total expenditures	<u>73,500</u>	<u>73,500</u>	<u>66,970</u>	<u>6,530</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>10,688</u>	<u>10,688</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>10,688</u>	<u>10,688</u>
FUND BALANCES:				
Beginning of year	(3,377)	(3,377)	(3,377)	-
End of year	<u>\$ (3,377)</u>	<u>\$ (3,377)</u>	<u>\$ 7,311</u>	<u>\$ 10,688</u>

City of San Bruno, California
Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,296,883	\$ 1,296,883	\$ 1,100,644	\$ (196,239)
Investment income (loss)	-	-	(6,986)	(6,986)
Total revenues	1,296,883	1,296,883	1,093,658	(203,225)
EXPENDITURES:				
Current:				
Highways and streets	938,000	938,000	717,996	220,004
Total expenditures	938,000	938,000	717,996	220,004
REVENUES OVER (UNDER)				
EXPENDITURES	358,883	358,883	375,662	16,779
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	358,883	358,883	375,662	16,779
FUND BALANCES:				
Beginning of year	410,274	410,274	410,274	-
End of year	\$ 769,157	\$ 769,157	\$ 785,936	\$ 16,779

City of San Bruno, California
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 53,303	\$ 8,303
Investment income (loss)	-	-	(4,616)	(4,616)
Total revenues	45,000	45,000	48,687	3,687
EXPENDITURES:				
Current:				
Library	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	45,000	45,000	48,687	3,687
OTHER FINANCING SOURCES (USES):				
Transfers in	465,000	465,000	305,200	(159,800)
Transfers out			(75,000)	(75,000)
Total other financing sources (uses)	465,000	465,000	230,200	(234,800)
Net change in fund balances	510,000	510,000	278,887	(231,113)
FUND BALANCES:				
Beginning of year	437,424	437,424	437,424	-
End of year	\$ 947,424	\$ 947,424	\$ 716,311	\$ (231,113)

City of San Bruno, California
Police Asset Seizure Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 53,541	\$ 53,541
Investment income (loss)	-	-	665	665
Total revenues	-	-	54,206	54,206
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	54,206	54,206
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	54,206	54,206
FUND BALANCES:				
Beginning of year	10,843	10,843	10,843	-
End of year	\$ 10,843	\$ 10,843	\$ 65,049	\$ 54,206

City of San Bruno, California
Safety Augmentation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 87,689	\$ 87,689
Investment income (loss)	-	-	(1,044)	(1,044)
Total revenues	-	-	86,645	86,645
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	86,645	86,645
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(87,689)	(87,689)
Total other financing sources (uses)	-	-	(87,689)	(87,689)
Net change in fund balances	-	-	(1,044)	(1,044)
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ (1,044)	\$ (1,044)

City of San Bruno, California
Police Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 93,896	\$ 93,896
Investment income (loss)	-	-	10	10
Total revenues	-	-	93,906	93,906
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	93,906	93,906
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(57,224)	(57,224)
Total other financing sources (uses)	-	-	(57,224)	(57,224)
Net change in fund balances	-	-	36,682	36,682
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 36,682	\$ 36,682

City of San Bruno, California

SB 322 Recycling/Litter Clean-up Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual**

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 72,419	\$ 72,419	\$ 73,030	\$ 611
Investment income (loss)	-	-	(3,327)	(3,327)
Total revenues	<u>72,419</u>	<u>72,419</u>	<u>69,703</u>	<u>(2,716)</u>
EXPENDITURES:				
Current:				
Public works	106,287	106,287	53,496	52,791
Total expenditures	<u>106,287</u>	<u>106,287</u>	<u>53,496</u>	<u>52,791</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(33,868)</u>	<u>(33,868)</u>	<u>16,207</u>	<u>50,075</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(33,868)</u>	<u>(33,868)</u>	<u>16,207</u>	<u>50,075</u>
FUND BALANCES:				
Beginning of year	128,223	128,223	128,223	-
End of year	<u>\$ 94,355</u>	<u>\$ 94,355</u>	<u>\$ 144,430</u>	<u>\$ 50,075</u>

City of San Bruno, California
Restricted Donations Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 89,641	\$ 89,641
Investment income (loss)	-	-	(14,277)	(14,277)
Other revenues	-	-	39,970	39,970
Total revenues	-	-	115,334	115,334
EXPENDITURES:				
Current:				
Library	-	37,000	71,256	(34,256)
Total expenditures	-	37,000	71,256	(34,256)
REVENUES OVER (UNDER)				
EXPENDITURES	-	(37,000)	44,078	81,078
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(6,122)	(6,122)
Total other financing sources (uses)	-	-	(6,122)	(6,122)
Net change in fund balances	-	(37,000)	37,956	74,956
FUND BALANCES:				
Beginning of year	594,664	594,664	594,664	-
End of year	\$ 594,664	\$ 557,664	\$ 632,620	\$ 74,956

City of San Bruno, California
Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 7,465	\$ 7,465
Investment income (loss)	-	-	(516)	(516)
Total revenues	-	-	6,949	6,949
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	6,949	6,949
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	6,949	6,949
FUND BALANCES:				
Beginning of year	14,066	14,066	14,066	-
End of year	\$ 14,066	\$ 14,066	\$ 21,015	\$ 6,949

City of San Bruno, California

Statement of Fund Net Assets

Internal Service Funds

June 30, 2009

(with comparative totals for June 30, 2008)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>General Equipment Revolving</u>	<u>Technology Development</u>
ASSETS				
Current assets:				
Cash and investments	\$ 328,732	\$ 1,950,555	\$ 2,759,829	\$ 557,558
Cash and investments held by trustees	-	91,118	-	-
Total current assets	<u>328,732</u>	<u>2,041,673</u>	<u>2,759,829</u>	<u>557,558</u>
Noncurrent assets:				
Advances to Redevelopment Agency	-	-	3,227,033	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>3,227,033</u>	<u>-</u>
Total assets	<u>\$ 328,732</u>	<u>\$ 2,041,673</u>	<u>\$ 5,986,862</u>	<u>\$ 557,558</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 21,084	\$ 45,994	\$ 69,114	\$ 5,994
Compensated absences	28,696	-	-	-
Total current liabilities	<u>49,780</u>	<u>45,994</u>	<u>69,114</u>	<u>5,994</u>
Noncurrent liabilities:				
Compensated absences	6,996	-	-	24,616
Liability for claims	-	1,843,282	-	-
Total noncurrent liabilities	<u>6,996</u>	<u>1,843,282</u>	<u>-</u>	<u>24,616</u>
Total liabilities	<u>56,776</u>	<u>1,889,276</u>	<u>69,114</u>	<u>30,610</u>
Net Assets:				
Unrestricted net assets	271,956	152,397	5,917,748	526,948
Total net assets	<u>271,956</u>	<u>152,397</u>	<u>5,917,748</u>	<u>526,948</u>
Total liabilities and net assets	<u>\$ 328,732</u>	<u>\$ 2,041,673</u>	<u>\$ 5,986,862</u>	<u>\$ 557,558</u>

Facilities Maintenance	Totals	
	2009	2008
\$ 724,742	\$ 6,321,416	\$ 5,471,496
-	91,118	91,137
<u>724,742</u>	<u>6,412,534</u>	<u>5,562,633</u>
-	3,227,033	3,227,033
-	3,227,033	3,227,033
<u>\$ 724,742</u>	<u>\$ 9,639,567</u>	<u>\$ 8,789,666</u>
\$ 29,638	\$ 171,824	\$ 321,794
68,528	97,224	67,201
<u>98,166</u>	<u>269,048</u>	<u>388,995</u>
4,618	36,230	30,009
	1,843,282	1,345,147
<u>4,618</u>	<u>1,879,512</u>	<u>1,375,156</u>
<u>102,784</u>	<u>2,148,560</u>	<u>1,764,151</u>
621,958	7,491,007	7,025,515
<u>621,958</u>	<u>7,491,007</u>	<u>7,025,515</u>
<u>\$ 724,742</u>	<u>\$ 9,639,567</u>	<u>\$ 8,789,666</u>

City of San Bruno, California

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	Central Garage	Self- Insurance	General Equipment Revolving	Technology Development
OPERATING REVENUES:				
Charges for services	\$ 665,988	\$ -	\$ 423,988	\$ 574,488
Insurance cost allocation	-	1,829,868	-	-
Total operating revenues	665,988	1,829,868	423,988	574,488
OPERATING EXPENSES:				
Central garage	658,811	-	-	-
Insurance premiums, claims and administration	-	2,077,059	-	-
Equipment	-	-	4,300	-
Technology	-	-	-	491,602
Facilities	-	-	-	-
Total operating expenses	658,811	2,077,059	4,300	491,602
OPERATING INCOME (LOSS)	7,177	(247,191)	419,688	82,886
NONOPERATING REVENUE (EXPENSE)				
Transfer from (to) other funds	-	-	-	-
Total non-operating revenue (expense)	-	-	-	-
CHANGE IN NET ASSETS	7,177	(247,191)	419,688	82,886
NET ASSETS:				
Beginning of year	264,779	399,588	5,498,060	444,062
End of year	<u>\$ 271,956</u>	<u>\$ 152,397</u>	<u>\$ 5,917,748</u>	<u>\$ 526,948</u>

Facilities Maintenance	Totals	
	2009	2008
\$ 1,227,996	\$ 2,892,460	\$ 2,867,075
-	1,829,868	2,151,048
<u>1,227,996</u>	<u>4,722,328</u>	<u>5,018,123</u>
-	658,811	610,483
-	2,077,059	1,391,562
-	4,300	324,470
-	491,602	657,183
<u>1,025,064</u>	<u>1,025,064</u>	<u>898,517</u>
<u>1,025,064</u>	<u>4,256,836</u>	<u>3,882,215</u>
<u>202,932</u>	<u>465,492</u>	<u>1,135,908</u>
-	-	(45,000)
-	-	(45,000)
<u>202,932</u>	<u>465,492</u>	<u>1,090,908</u>
<u>419,026</u>	<u>7,025,515</u>	<u>5,934,607</u>
<u>\$ 621,958</u>	<u>\$ 7,491,007</u>	<u>\$ 7,025,515</u>

City of San Bruno, California

Combining Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2009

(with comparative amounts for the year ended June 30, 2008)

	Central Garage	Self- Insurance	General Equipment Revolving
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 665,988	\$ 1,829,868	\$ 423,988
Cash received from loss claim recoveries			
Cash payments to suppliers for goods and services	(644,939)	(2,264,183)	37,854
Cash payments for loss claims	-	498,135	-
Cash payments to other funds for services	-	-	-
Net cash provided (used) by operating activities	21,049	63,820	461,842
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers received from other funds	-	-	-
Transfers paid to other funds	-	-	-
Net cash provided by noncapital financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	-	-	-
Net increase in cash and cash equivalents	21,049	63,820	461,842
CASH AND CASH EQUIVALENTS:			
Beginning of year	307,683	1,977,853	2,297,987
End of year	<u>\$ 328,732</u>	<u>\$ 2,041,673</u>	<u>\$ 2,759,829</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Income (loss) from operations	\$ 7,177	\$ (247,191)	\$ 419,688
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	-	-	-
(Increase) decrease in current assets:			
Accounts receivable	-	-	-
Due from other funds	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	10,987	(187,124)	42,154
Due to other funds	-	-	-
Compensated absences	2,885	-	-
Increase (decrease) in claims liability - noncurrent	-	498,135	-
Net cash provided (used) by operating activities	\$ 21,049	\$ 63,820	\$ 461,842
Presentation in Statement of Net Assets:			
Cash and investments	\$ 328,732	\$ 1,950,555	\$ 2,759,829
Cash and investments held by trustees	-	91,118	-
Total Cash and Cash Equivalents, End of Year	\$ 328,732	\$ 2,041,673	\$ 2,759,829

	Technology Development	Facilities Maintenance	Totals	
			2009	2008
\$	574,488	\$ 1,227,996	\$ 4,722,328	\$ 5,028,454
	(490,261)	(1,009,033)	(4,370,562)	(3,684,079)
	-	-	498,135	(426,242)
	-	-	-	-
	84,227	218,963	849,901	918,133
	-	-	-	-
	-	-	-	(45,000)
	-	-	-	(45,000)
	-	-	-	-
	84,227	218,963	849,901	873,133
	473,331	505,779	5,562,633	4,689,500
\$	557,558	\$ 724,742	\$ 6,412,534	\$ 5,562,633
\$	82,886	\$ 202,932	\$ 465,492	\$ 1,135,908
	-	-	-	-
	-	-	-	10,331
	-	-	-	-
	(4,635)	(11,352)	(149,970)	199,404
	-	-	-	-
	5,976	27,383	36,244	(1,268)
	-	-	498,135	(426,242)
\$	84,227	\$ 218,963	\$ 849,901	\$ 918,133
\$	557,558	\$ 724,742	\$ 6,321,416	\$ 5,471,496
	-	-	91,118	91,137
\$	557,558	\$ 724,742	\$ 6,412,534	\$ 5,562,633

City of San Bruno, California
Combining Statement of Assets and Liabilities
 Fiduciary Funds
 June 30, 2009
 (with comparative totals for June 30, 2008)

	Project Development	San Bruno Garbage Company	Totals	
			2009	2008
ASSETS				
Cash and investments	\$ 335,348	\$ 353,415	\$ 688,763	\$ 618,500
Accounts receivable		521,883	521,883	611,520
Total assets	\$ 335,348	\$ 875,298	\$ 1,210,646	\$ 1,230,020
LIABILITIES				
Accounts payable	\$ 1,950	\$ 868,668	\$ 870,618	\$ 931,510
Other liabilities	333,398	6,630	340,028	298,510
Total liabilities	\$ 335,348	\$ 875,298	\$ 1,210,646	\$ 1,230,020

CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES

City of San Bruno, California
Schedule of Changes in Capital Assets
For the year ended June 30, 2009

	<u>2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>2009</u>
CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES:				
Non-depreciable assets:				
Land:	\$ 561,197	\$ -	\$ -	\$ 561,197
Construction in progress	9,663,462	494,308	(9,406,816)	750,954
Total Land	<u>10,224,659</u>	<u>494,308</u>	<u>(9,406,816)</u>	<u>1,312,151</u>
Infrastructure:				
Roadway:				
Pavement	29,972,318	-	-	29,972,318
Curb and gutter	5,036,235	-	-	5,036,235
Sidewalk	17,508,813	-	-	17,508,813
Streetlights	2,289,031	-	-	2,289,031
Traffic signals	1,732,489	-	-	1,732,489
Accumulated depreciation	(32,161,083)		-	(32,161,083)
Total Roadway	<u>24,377,803</u>	<u>-</u>	<u>-</u>	<u>24,377,803</u>
Recreation and Community Services:				
Park facilities	642,573	-	-	642,573
Bike paths and trails	523,615	-	-	523,615
Accumulated depreciation	(261,975)		-	(261,975)
Total Recreation and Community Services	<u>904,213</u>	<u>-</u>	<u>-</u>	<u>904,213</u>
Infrastructure (Cost)	57,705,074	9,811,706	-	67,516,780
Infrastructure (Accumulated depreciation)	<u>(32,423,058)</u>	<u>(1,589,977)</u>	<u>-</u>	<u>(34,013,035)</u>
Total Infrastructure (net)	<u>25,282,016</u>	<u>8,221,729</u>	<u>-</u>	<u>33,503,745</u>
Other Depreciable Property:				
Structures and improvements	13,450,705	117,882		13,568,587
Machinery and equipment	5,897,601	2,274,697		8,172,298
Accumulated depreciation:				
Structures and improvements	(4,032,521)	(377,093)		(4,409,614)
Machinery and equipment	(3,818,200)	(826,702)		(4,644,902)
Total Accumulated depreciation	<u>(7,850,721)</u>	<u>(1,203,795)</u>	<u>-</u>	<u>(9,054,516)</u>
Total Other Depreciable Property (net)	<u>11,497,585</u>	<u>1,188,784</u>	<u>-</u>	<u>12,686,369</u>
Total Capital Assets	<u>\$47,004,260</u>	<u>\$ 9,904,821</u>	<u>\$ (9,406,816)</u>	<u>\$ 47,502,265</u>

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of San Bruno's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	118-122
Revenue Capacity	
These schedules contain information to help the reader assess the City's property tax.	123-127
Debt Capacity	
These schedules contain 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.	128-131
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.	132-133
Operating Information	
1) Operating Indicators by Function/Program	
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.	134-135

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2002-03; schedules presenting government-wide information include information beginning in that year.

City of San Bruno, California

Net Assets by Component

Last Five Fiscal Years

(Fiscal year ended June 30)

	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	\$ 11,767,003	\$ 13,980,909	\$ 36,889,081	\$ 37,073,294	\$ 38,094,423
Restricted	3,295,653	2,790,614	763,192	797,313	805,664
Unrestricted (deficit)	5,146,203	10,409,480	17,200,880	18,670,800	17,282,898
Total governmental activities net assets	<u>\$ 20,208,859</u>	<u>\$ 27,181,003</u>	<u>\$ 54,853,153</u>	<u>\$ 56,541,407</u>	<u>\$ 56,182,985</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 19,803,889	\$ 18,694,375	\$ 26,319,885	\$ 22,821,582	\$ 29,548,513
Restricted					
Unrestricted (deficit)	18,714,365	19,953,475	12,200,816	19,943,521	13,642,293
Total business-type activities net assets	<u>\$ 38,518,254</u>	<u>\$ 38,647,850</u>	<u>\$ 38,520,701</u>	<u>\$ 42,765,103</u>	<u>\$ 43,190,806</u>
Primary government					
Invested in capital assets, net of related debt	\$ 31,570,892	\$ 32,675,284	\$ 63,208,966	\$ 59,894,876	\$ 67,642,936
Restricted	3,295,653	2,790,614	763,192	797,313	805,664
Unrestricted (deficit)	23,860,568	30,362,955	29,401,696	38,614,321	30,925,191
Total primary government net assets	<u>\$ 58,727,113</u>	<u>\$ 65,828,853</u>	<u>\$ 93,373,854</u>	<u>\$ 99,306,510</u>	<u>\$ 99,373,791</u>

City of San Bruno, California

Changes in Net Assets

Last Five Fiscal Years

(Fiscal year ended June 30)

(accrual basis of accounting)

	2005	2006	2007	2008	2,009
Expenses					
Governmental activities:					
General government	\$ 4,133,776	\$ 4,056,039	\$ 3,086,818	\$ 680,412	5,879,731
Public safety	15,156,170	16,143,674	17,005,014	21,497,158	19,625,779
Public works	491,059	679,486	1,017,450	1,766,933	1,256,060
Highways amd streets	3,077,663	2,699,804	4,330,591	5,993,182	5,391,549
Parks and recreation	3,601,010	3,585,800	4,226,636	4,805,202	4,760,291
Library	1,561,654	1,665,597	1,627,219	2,076,155	1,890,435
Community development	3,804,765	3,858,037	3,027,355	5,727,039	7,030,845
Interest expense	516,465	557,964	575,021	553,486	665,517
Total governmental activities expenses	<u>32,342,562</u>	<u>33,246,401</u>	<u>34,896,104</u>	<u>43,099,567</u>	<u>46,500,207</u>
Business-type activities:					
Water	5,952,302	6,893,587	6,868,405	5,857,761	7,341,657
Stormwater	294,261	467,043	502,802	(171,906)	687,278
Wastewater	5,868,174	6,084,873	6,904,217	7,859,491	8,054,907
Cable Television	7,977,905	8,055,100	9,489,656	9,324,247	10,700,667
Total business-type activities expenses	<u>20,092,642</u>	<u>21,500,603</u>	<u>23,765,080</u>	<u>22,869,593</u>	<u>26,784,509</u>
Total primary government expenses	<u>\$ 52,435,204</u>	<u>\$ 54,747,004</u>	<u>\$ 58,661,184</u>	<u>\$ 65,969,160</u>	<u>\$ 73,284,716</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,680,758	\$ 3,030,230	\$ 2,913,631	\$ 5,102,298	\$ 30
Public safety	834,458	1,042,823	1,405,736	1,507,685	1,027,856
Public works	-	-	52,157	781,614	10,860
Highways amd streets	1,710,424	2,091,813	754,080	977,667	774,565
Parks and recreation	1,380,947	681,356	751,985	794,097	915,348
Library	65,336	63,243	63,638	144,703	76,934
Community development	1,419,414	2,572,835	1,163,310	2,622,644	-
Operating grants and contributions	905,721	757,952	3,924,875	3,537,503	12,124,325
Capital grants and contributions	5,099,422	2,822,419	328,114	2,628,237	396,366
Total governmental activities program revenues	<u>14,096,480</u>	<u>13,062,671</u>	<u>11,357,526</u>	<u>18,096,448</u>	<u>15,326,284</u>
Business-type activities:					
Charges for services:					
Water	6,332,229	6,682,238	7,089,683	8,258,200	8,174,920
Stormwater	546,589	549,708	614,832	531,455	618,552
Wastewater	5,918,246	6,079,454	6,261,689	8,413,781	9,061,789
Cable Television	7,288,915	7,867,702	9,162,788	9,036,944	9,833,713
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>20,085,979</u>	<u>21,179,102</u>	<u>23,128,992</u>	<u>26,240,380</u>	<u>27,688,974</u>
Total primary government program revenues	<u>\$ 34,182,459</u>	<u>\$ 34,241,773</u>	<u>\$ 34,486,518</u>	<u>\$ 44,336,828</u>	<u>\$ 43,015,258</u>
Net (Expense)/Revenue					
Governmental activities	\$ (18,246,082)	\$ (20,183,730)	\$ (23,538,578)	\$ (25,003,119)	\$ (31,173,923)
Business-type activities	(6,663)	(321,501)	(636,088)	3,370,787	904,465
Total primary government net expense	<u>\$ (18,252,745)</u>	<u>\$ (20,505,231)</u>	<u>\$ (24,174,666)</u>	<u>\$ (21,632,332)</u>	<u>\$ (30,269,458)</u>

City of San Bruno, California

Changes in Net Assets

Last Five Fiscal Years

(Fiscal year ended June 30)

(accrual basis of accounting)

	2005	2006	2007	2008	2,009
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 4,398,198	\$ 4,944,621	\$ 5,315,026	\$ 5,792,092	5,564,956
Property taxes, tax increment for redevelopment purposes	1,404,122	2,625,615	3,839,579	4,435,080	9,163,133
Transient occupancy tax	932,289	1,139,693	1,276,830	1,478,040	1,339,877
Franchise tax	995,474	1,450,533	1,531,909	1,608,176	1,638,855
Sales tax, including subvention	6,234,499	6,816,036	6,862,845	6,637,010	6,402,912
Business license tax	3,028,003	2,819,988	2,735,107	1,491,812	1,540,728
Airport parking tax		-	316,762.00		
Intergovernmental:					3,544,320
State motor vehicle in-lieu tax, including subvention	2,876,477	2,824,642	3,166,460	3,365,156	1,433,302
Use of money and property	364,665	499,665	1,218,377	2,184,450	0
Miscellaneous	2,386,324	3,409,259	2,425,997	0	
Transfers		175,164	0	(300,443)	187,418
Total governmental activities	<u>22,620,051</u>	<u>26,705,216</u>	<u>28,688,892</u>	<u>26,691,373</u>	<u>30,815,501</u>
Business-type activities					
Use of money and property	438,775	513,954	508,939	573,172	(291,344)
Miscellaneous	214,752	112,307	-	-	
Transfers		(175,164)	0	300,443	(187,418)
Total business-type activities	<u>653,527</u>	<u>451,097</u>	<u>508,939</u>	<u>873,615</u>	<u>(478,762)</u>
Total primary government	<u>\$ 23,273,578</u>	<u>\$ 27,156,313</u>	<u>\$ 29,197,831</u>	<u>\$ 27,564,988</u>	<u>\$ 30,336,739</u>
Changes in Net Assets					
Governmental activities	\$ 4,373,969	\$ 6,521,486	\$ 5,150,314	\$ 1,688,254	\$ (358,422)
Business-type activities	646,864	129,596	(127,149)	4,244,402	425,703
Total primary government	<u>\$ 5,020,833</u>	<u>\$ 6,651,082</u>	<u>\$ 5,023,165</u>	<u>\$ 5,932,656</u>	<u>\$ 67,281</u>

City of San Bruno, California
Fund Balances, Governmental Funds
 Last Five Fiscal Years
 (Fiscal year ended June 30)

	2005	2006	2007	2008	2009
General Fund					
Reserved	\$ 3,353,515	\$ 3,934,669	\$ 662,200	\$ 826,709	\$ 1,060,558
Unreserved (deficit)	3,245,215	4,462,312	8,041,350	8,670,499	6,652,186
Total general fund	<u>\$ 6,598,730</u>	<u>\$ 8,396,981</u>	<u>\$ 8,703,550</u>	<u>\$ 9,497,208</u>	<u>\$ 7,712,744</u>
All Other Governmental Funds					
Reserved	\$ 1,030,184	\$ 1,119,897	\$ 566,000	\$ 770,835	\$ 1,194,080
Unreserved reported in:					
Special revenue funds	\$ (13,717)	(322,899)	3,398,888	5,817,754	9,580,539
Capital projects funds	\$ (2,048,475)	(534,980)	219,830	501,822	(986,616)
Debt service funds	21,151	21,151	763,192	797,313	805,664
Total all other governmental funds	<u>\$ (1,010,857)</u>	<u>\$ 283,169</u>	<u>\$ 4,947,910</u>	<u>\$ 7,887,724</u>	<u>\$ 10,593,667</u>

City of San Bruno, California
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Fiscal year ended June 30)

(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$12,579,310	\$14,194,407	\$13,600,471	\$16,810,824	\$18,278,498	\$21,801,314	\$18,835,537	\$21,137,455	\$23,236,735	\$27,744,805
Licenses and permits	2,453,048	2,876,509	3,405,934	4,866,084	1,835,250	1,637,527	5,283,072	4,813,087	4,379,092	3,564,609
Intergovernmental	8,378,961	8,512,433	6,279,693	4,410,098	3,960,354	4,538,435	4,726,434	4,976,381	5,555,835	4,068,572
Charges for services	1,207,739	1,481,108	1,827,108	3,800,633	3,936,291	5,302,228	4,998,704	3,458,641	3,534,085	2,805,593
Fines and forfeitures	550,713	500,662	477,585	428,284	555,133	500,717	570,691	563,836	578,406	646,396
Use of money and property	626,293	1,116,977	1,719,668	306,424	908,139	364,665	1,583,178	1,149,534	2,287,478	1,433,302
Other revenues	1,419,335	2,606,880	1,511,745	1,882,845	614,131	1,660,831	2,210,719	4,048,911	5,976,311	5,691,090
Total revenues	\$27,215,399	\$31,288,976	\$28,822,204	\$32,505,192	\$30,087,796	\$35,805,717	\$38,208,335	\$40,147,845	\$45,547,942	\$45,954,367
Expenditures:										
General government	\$ 3,445,293	\$ 4,534,926	\$ 5,277,572	\$ 2,891,821	\$ 3,587,063	\$ 3,830,993	\$ 3,750,350	\$ 3,449,991	\$ 1,114,968	\$ 3,831,772
Public safety	10,250,564	10,972,472	13,843,611	13,550,445	13,237,345	14,996,475	16,168,590	16,848,691	20,849,179	19,606,624
Public works	835,810	1,137,312	1,135,506	2,929,116	1,943,991	491,059	679,486	1,017,450	1,501,639	1,228,246
Highways and streets	4,058,162	2,589,601	3,377,048	2,236,444	1,207,594	5,552,960	4,969,695	2,956,134	4,816,250	4,101,578
Parks and recreation	3,089,339	3,310,526	3,775,558	4,202,653	3,791,251	3,562,029	3,886,525	4,822,377	4,822,377	4,627,648
Library	1,337,785	1,312,751	1,612,191	1,610,702	1,731,081	1,559,864	1,663,807	1,625,429	2,028,271	1,903,867
Community development	5,813,270	1,794,249	5,011,732	3,565,513	3,005,093	3,474,765	3,543,200	3,561,656	4,899,902	7,998,339
Capital outlay	1,271,118	2,921,443	7,525,731	3,984,770	1,661,709	773,579	827,974	799,524	906,765	696,590
Debt service:										
Principal	65,000	70,000	75,000	447,867	474,153	501,323	812,828	479,955	503,713	523,124
Interest	32,755	27,167	622,025	845,104	569,776	516,934	563,591	548,987	526,204	702,518
Total expenditures	\$30,199,096	\$28,670,447	\$42,255,974	\$36,264,435	\$31,209,056	\$35,259,981	\$36,866,046	\$35,423,899	\$41,969,268	\$45,220,306

Reconciliation of Governmental Revenues

Less Expenditures to Fund Equity:

Revenues over (under) expenditures	\$ (2,983,697)	\$ 2,618,529	#####	\$ (3,759,243)	\$ (1,121,260)	\$ 545,736	\$ 1,342,289	\$ 4,723,946	\$ 3,578,674	\$ 734,061
Proceed from Loan/Bond		\$ 9,600,000	\$ 1,360,674							
Other financing sources (Transfer In)		\$ 2,419,570		\$ 775,000	\$ 355,758	\$ 337,000	\$ -	\$ 4,299,624	\$ 2,963,422	\$ 3,504,587
Other financing sources (Transfer Out)								\$ (4,058,624)	\$ (2,812,004)	\$ (3,317,169)
Other financing sources (uses):										
Operating transfers from (to) Enterprise Funds:										
Water	639,490	788,600	465,251	-	-	-	77,500	-	-	-
Stormwater	132,377	265,400	219,117	190,400	-	-	25,000	-	-	-
Wastewater	418,309	364,100	350,660	-	-	-	72,664	-	-	-
Cable Television	1,275,300	857,500	144,600	606,749	25,000	-	-	-	-	-
Operating transfers from (to) Internal Service Funds		8,900		230,601	249,834	211,398	150,000	-	-	-
Proceeds from sale of fixed assets	605,322	-	14,330	14,330	-	3,065	-	6,363	3,380	-
Proceeds of debt issued (refunds)		(329,737)		-	-	-	1,229,298	-	-	-
Total other financing sources (uses)	3,070,798	1,954,763	1,179,628	1,042,080	274,834	214,463	1,554,462	6,363	3,380	-
Net change in fund balances	\$ (2,492,451)	\$ 11,753,722	#####	\$ (3,492,163)	\$ (1,202,184)	\$ 423,199	\$ 2,896,751	\$ 4,971,309	\$ 3,733,472	\$ 921,479

Debt service as a percentage of noncapital expenditures

	0%	0%	2%	4%	4%	3%	4%	3%	3%	3%
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City of San Bruno, California
Assessed Value and Actual Value of Taxable Property
For the last ten fiscal years
(in thousands of dollars)

City of San Bruno:	Secured	Unsecured	Total (a)	Total Direct Tax Rate (b)
FY 99-00	2,564,566	141,431	2,705,997	1.0000
FY 00-01	2,736,431	166,832	2,903,263	1.0000
FY 01-02	3,295,218	191,857	3,487,075	1.0000
FY 02-03	3,485,019	190,806	3,675,825	1.0000
FY 03-04	3,903,221	200,346	4,103,567	1.0000
FY 04-05	3,643,634	85,243	3,728,877	1.0000
FY 05-06	3,966,877	73,588	4,040,465	1.0000
FY 06-07	4,539,673	132,802	4,672,475	1.0000
FY 07-08	4,936,181	136,883	5,073,064	1.0000
FY 08-09	5,275,742	151,461	5,427,203	1.0000

All above are Full Value (100%)

(a) 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.

(b) 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 Tax Rates

For the last ten fiscal years

(rate per \$1,000 of assessed value)

	Direct Rates				Total Tax Rate
	Basic Rate	Total Direct	School Districts	Special Districts	
FY 99-00	1.0000	1.0000	0.1423	0.0000	1.1423
FY 00-01	1.0000	1.0000	0.1571	0.0000	1.1571
FY 01-02	1.0000	1.0000	0.1634	0.0000	1.1634
FY 02-03	1.0000	1.0000	0.1634	0.0000	1.1634
FY 03-04	1.0000	1.0000	0.1634	0.0000	1.1634
FY 04-05	1.0000	1.0000	0.0597	0.0000	1.0597
FY 05-06	1.0000	1.0000	0.0574	0.0000	1.0574
FY 06-07	1.0000	1.0000	0.0664	0.0000	1.0664
FY 07-08	1.0000	1.0000	0.0596	0.0000	1.0596
FY 08-09	1.0000	1.0000	0.0710	0.0000	1.0710

Source: City of San Bruno

City of San Bruno, California
Schedule of Top 40 Retail Businesses
(Listed in Alphabetical Order)
For the year ended June 30, 2009

Name	Address
All Shores	135 El Camino Real
Apex Systems, Inc.	1111 Bayhill Dr. Ste 240
Bayhill 4-7 LLC	999-Bayhill 950 Elm 1100 GR
BJ's Restaurant	270 Tanforan Mall
Century Theaters Inc.#494	1188 El Camino Real
Courtyard By Marriott-San Bruno	1050 Bayhill Dr.
Davita RX, LLC	1178 Cherry Ave.
Devicescape Software, Inc.	900 Cherry Ave. Ste 600
Evergreen Ridge Apartments	3815 Susan Dr.
Grace Honda	345 El Camino Real
Inquira, Inc.	851 Traeger Ave.Ste.125
J.C. Penney Corp. Inc.#1959-6	1122 El Camino Real
James J. Boyle & Co.	1097 Sneath Ln.
Lash Group, Inc.	999 Bayhill Dr.#300
Lohika System Inc.	1111 Bayhill Dr. Ste 210
Long's Drug Store #09807	10 Bayhill Center
Lowe's Home Improvement Warehouse, Inc.	1340 El Camino Real
Lucky #748	1322 El Camino Real
Lullaby Lane	556 San Mateo Ave.
Lunardi's Market	2801 San Bruno Ave.
Marshall's #492	1268 El Camino Real
Melody Toyota	750 El Camino Real
Mollie Stone's Market	22 Bayhill Shopping Ctr.
Nomis Solutions Inc.	1111 Bayhill Dr. Ste 230
On Assignment Lab Support & Healthcare	1111 Bayhill Dr.Ste 475
Pacific Biodevelopment LLC	1111 Bayhill Dr. Ste 490
Paychex North America Inc.	1100 Grundy Ln. Ste 350
Prudential California Realty	180 El Camino Real
Sears Auto Center #6909	1178 El Camino Real
Sears Roebuck & Co. #1478	1178 El Camino Real
St Gas-Gas Station	1799 El Camino Real
Target Store T1054	1150 El Camino Real
TCG Advisors, LLC	1250 Bayhill Dr. Ste 350
The Permanente Medical Group	801 Traeger Ave.
Vantagepoint Venture Partners	1001 Bayhill Dr.Ste.300
Vince's Shell Fish Co., Inc.	1063 Montgomery Ave.
Webtrends, Inc.	1111 Bayhill Dr. Ste 440
Weiss-Rohlig USA LLC	1150 Bayhill Dr. Ste 121
You Tube Inc.	901 Cherry Ave.
Zenrin USA Inc.	851 Traeger Ave.Ste.210

Source : City of San Bruno

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
2000	2,985,912	2,985,912	100%	-	2,985,912	100%
2001	3,041,325	3,041,325	100%	-	3,041,325	100%
2002	3,534,432	3,534,432	100%	-	3,534,432	100%
2003	3,662,064	3,662,064	100%	-	3,662,064	100%
2004	3,823,744	3,823,744	100%	-	3,823,744	100%
2005	3,679,828	3,679,828	100%	-	3,679,828	100%
2006	3,983,245	3,983,245	100%	-	3,983,245	100%
2007	4,365,665	4,365,665	100%	-	4,365,665	100%
2008	4,987,275	4,987,275	100%	-	4,987,275	100%
2009	4,848,334	4,848,334	100%	-	4,848,334	100%

Source: City financial records

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

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

Fiscal Year Ended	Governmental Activities			Business-type Activities		Total Primary Government	Per Capita Personal Income
	Capital Leases	Certificates of Participation	Special Assessment Bonds	Wastewater Certificates of Participation	Government		
June 30,							
2000	134,904	9,600,000	-	-	9,734,904	369.31	
2001	89,936	9,600,000	-	-	9,689,936	438.66	
2002	2,114,118	9,600,000	-	9,800,000	21,514,118	816.17	
2003	1,811,251	9,455,000	-	9,645,000	20,911,251	793.29	
2004	1,492,097	9,300,000	-	9,460,000	20,252,097	727.00	
2005	1,155,774	9,135,000	-	9,275,000	19,565,774	742.25	
2006	1,959,633	8,955,000	-	9,275,000	20,189,633	765.92	
2007	1,669,679	8,765,000	-	9,085,000	19,519,679	740.50	
2008	1,365,965	8,565,000	-	8,890,000	18,820,965	714.00	
2009	1,047,841	8,360,000	-	8,685,000	18,092,841	686.37	

Source: City financial records

City of San Bruno, California

Overlapping Debt

June 30, 2009

2008-09 Assessed Valuation: 4,539,727,404

Overlapping Tax and Assessment Debt:	<u>Net Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>Debt</u>
San Mateo Community College District	\$ 634,554,994	3.531%	\$22,406,137
South San Francisco Unified School District	35,777,393	1.289	461,171
San Mateo Union High School District	180,749,950	9.872	17,843,635
San Bruno Park School District	20,408,567	81.156	16,562,777
Millbrae School District Maintenance Assessment District	12,000,000	2.081	249,720
Total overlapping tax and assessment debt			<u>\$57,523,440</u>
Direct and Overlapping General Fund Debt:			
San Mateo County General Fund Obligations	\$ 370,964,816	3.531%	\$13,098,768
San Mateo County Board of Education Certificates of Participation	13,350,000	3.531	471,389
San Mateo County Flood Control District Certificates of Participation	23,695,000	6.045	1,432,363
South San Francisco Unified School District Certificates of Participation	1,860,000	1.289	23,975
San Mateo Union High School District Certificates of Participation	73,456,236	9.872	7,251,600
City of San Bruno 1915 Act Bonds	8,360,000	100.000	8,360,000
San Mateo County Mosquito Abatement District Certificates of Participation	540,000	0.119	643
Total direct and overlapping general fund debt			<u>30,638,738</u>
Combined Total Debt			<u><u>\$88,162,178</u></u>

Ratios to Assessed Valuation:

Combined Direct Debt	0.18%
Total Overlapping Tax and Assessment Debt	1.05%
Combined Total Debt	1.94%

State School Building Aid Repayable as of 6/30/09 \$ -

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(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, Inc.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	384,685	410,465	494,283	522,753	585,483	546,545	595,032	680,951	740,427	791,361
Total net debt applicable to limit	9,734	9,690	21,514	20,911	20,252	19,566	20,190	19,520	18,821	18,093
Legal debt margin	\$ 374,951	\$ 400,775	\$ 472,769	\$ 501,842	\$ 565,231	\$ 526,979	\$ 574,842	\$ 661,431	\$ 721,606	\$ 773,268
Total net debt applicable to the limit as a percentage of debt limit	2.60%	2.42%	4.55%	4.17%	3.58%	3.71%	3.51%	2.95%	2.61%	2.34%

City of San Bruno, California
Pledged Revenue Coverage

For the last ten fiscal years
(dollars in thousands)

Fiscal Year Ended	Business-type Activities							Coverage
	Sewer Revenues & Transfers	Less:		Net		Debt Service		
		Operating Expenses	Operating Expenses	Available Revenue	Principal	Interest		
June 30,								
2000	4,590,988	2,632,120	1,958,868	-	-	-	N/A	
2001	4,996,807	3,531,512	1,465,295	-	-	-	N/A	
2002	5,267,665	3,681,836	1,585,829	-	-	-	N/A	
2003	5,324,186	4,567,164	757,022	155,000	469,618		1.21	
2004	5,455,496	4,760,646	694,850	185,000	443,767		1.11	
2005	5,943,670	5,150,495	793,175	185,000	439,605		1.27	
2006	6,079,454	4,206,352	1,873,102	190,000	435,165		3.00	
2007	6,261,689	5,804,944	456,745	195,000	430,035		0.73	
2008	8,413,781	7,063,137	1,350,644	205,000	424,185		2.15	
2009	9,061,790	7,285,670	1,776,120	210,000	417,420		2.83	

Source: City financial records

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

Year	Population	Total Personal Income	Per Capita Personal Income	Median Age	San Mateo County	
					School Enrollment	Unemployment Rate
2000	40,165	910,524,484	26,360	-	3,906	1.4%
2001	40,165	763,030,571	22,090	36.3	3,906	3.4%
2002	40,350	914,718,360	26,360	36.3	3,906	4.5%
2003	40,350	914,718,360	26,360	36.3	3,906	4.5%
2004	41,500	994,216,330	27,857	36.3	3,906	4.5%
2005	39,752	901,161,939	26,360	36.3	3,806	4.5%
2006	39,986	906,466,626	26,360	36.3	3,857	4.5%
2007	40,017	907,169,383	26,360	36.7	3,793	4.5%
2008	40,165	910,524,484	26,360	39.0	3,796	5.6%
2009	40,017	907,169,383	26,360	38.3	3,805	10.3%

Source: State Department of Finance, Bureau of Labor Statistic and U.S. Census Bureau, other years unavailable

City of San Bruno, California

Principal Employers

Current Year and Last Year

Employer	2008-09			2007-08		
	Employees	Rank	Percentage of Top 11 Employment	Employees	Rank	Percentage of Top 11 Employment
You Tube, Inc.	309	1	21.43%			N/A
Target Store T1054	300	2	20.80%	320	4	N/A
Sears, Roebuck & Co.	262	3	18.17%	350	5	19.66%
Lowe's Home Improvement Warehouse	154	4	10.68%	154	3	8.65%
Vantagepoint Venture Partners	70	5	4.85%	86	8	N/A
Davita Rx, LLC	23	6	1.60%			0.00%
Longs Drug Store #09807	N/A	7	N/A			0.00%
Lash Group, Inc.	268	8	18.59%	296	9	16.63%
Melody Toyota	67	9	4.65%	82	6	4.61%
Inquira, Inc.	63	10	4.37%	68	11	N/A
J.C. Penny Corp., Inc.	235	11	16.30%	200	7	11.24%
Ironport Systems, Inc.				N/A	1	
First Databank, Inc.				116	2	
Lucky #748				108	10	
Total	1,442			1,780		

Source: City Business License records

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

Function/Program	2004-05	2005-06	2006-07	2007-08	2008-09
General Fund					
City Council	5.00	5.00	5.00	5.00	5.00
City Clerk	1.50	1.50	1.75	1.75	1.75
City Treasurer	1.00	1.00	1.00	1.00	1.00
Legal Services	1.25	1.25	1.25	1.25	1.25
City Manager	3.00	2.00	2.00	2.00	2.00
Human Resources	1.00	2.00	2.75	2.75	2.75
Finance					
Administration	5.00	5.00	5.00	5.00	5.00
Revenue Services	7.00	6.00	6.00	6.00	6.00
Police	64.00	66.00	66.00	63.00	66.00
Fire	36.00	36.00	35.00	33.00	33.50
PublicWorks					
Admin. & Engineering	7.75	7.75	8.75	7.75	7.75
Streets Maintenance	5.60	5.60	5.60	5.60	5.60
Community Development					
Planning	2.45	3.45	3.45	2.60	2.50
Building	4.10	6.10	6.10	5.30	5.00
Parks & Recreation Services					
Recreation	4.05	4.05	4.20	3.35	4.35
Parks Maintenance	17.25	18.75	18.75	15.95	17.00
Senior Services	2.45	2.45	2.30	2.15	2.15
Library Services	10.50	10.50	10.50	9.50	10.00
Subtotal	178.90	184.40	185.40	172.95	178.60
Special Revenues					
Solid Waste	0.30	0.30	0.30	0.30	0.30
RDA Operations	2.80	2.80	2.75	1.80	3.60
RDA Low/Mod Housing	1.65	1.65	1.70	1.25	1.90
Subtotal	4.75	4.75	4.75	3.35	5.80
Internal Services					
Central Garage	3.35	3.35	3.95	3.85	3.95
Buildings and Facilities	6.20	5.75	7.00	5.50	7.00
Technology Support	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	1.00	1.00	1.00	1.00
Subtotal	13.55	13.10	14.95	13.35	14.95
Enterprise Funds					
Water Enterprise	14.90	15.90	17.90	15.90	16.90
Stormwater Enterprise	2.55	2.55	2.95	2.95	2.95
Wastewater Enterprise	14.60	14.60	14.60	12.10	14.60
Cable Enterprise	19.50	18.50	19.50	19.00	19.50
Subtotal	51.55	51.55	54.95	49.95	53.95
Total Positions (all funds)	248.75	253.80	260.05	239.60	253.30

Source: City of San Bruno

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

Function/Program	2006	2007	2008	2009
Engineering /Public Work				
Pavement	N/A	(720,575)	(698,246)	(698,027)
Traffic Signal		17		
Traffic Signal	N/A	(42,547)	(42,218)	(42,311)
Streetlights		1,448		
Streetlights	N/A	(76,300)	(241,541)	(241,541)
Housing & Redevelopment				
Roadway in centerline miles		145		
Sidewalk	N/A	(411,070)	(402,009)	(415,587)
Roadway in centerline miles		131		
Curb & Gutter	N/A	(120,158)	(117,235)	(117,235)
Finance and Parks				
Park Facilities		24		
Park Facilities	N/A	(35,915)	(35,847)	(35,847)
Walkway Paths and Trails Subsystem		2		
Walkway Paths and Trails Subsystem	N/A	(20,944)	(20,507)	(20,507)
Buildings		24		
Structures	N/A	(389,213)	(367,380)	(377,093)

Source: City records and Infrastructure Valuations performed by AMS Consulting, LLC

Note(s): Amounts are additions (reductions) only to show the reader valuation adjustments by program associated with the department.

N/A = Not applicable, first year of valuation.