

CITY OF SAN BRUNO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

Prepared by:
Finance Department
Edmund Suen, Finance Director

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City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

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December 15, 2010

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, 2010 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, 2010. 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, 2010 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, 2010.

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. Economic uncertainty continues, with unemployment remaining high, consumer-spending showing only modest improvements, and foreclosures and mortgage delinquencies continuing to pressure the housing markets. Locally, San Bruno experienced declines in both sales tax and property tax revenues. Despite a 2-percentage point increase in the Transient Occupancy Tax Rate approved by voters in November 2009, hotel tax revenues were flat. As a result, the City implemented expenditure reductions that included position eliminations, a citywide furlough, and partnering with other public agencies for shared services.

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:

- Developed, recommended and implemented mid-year expenditure reductions to respond to an additional estimated \$1.3 million General Fund revenue shortfall.
- Initiated a comprehensive analysis of future options for sub-regional shared delivery of fire services. Continued shared services arrangement with the City of Millbrae in the delivery of fire services with full assignment of shared Battalion Chiefs to facilities, training, equipment and other responsibilities for both departments.
- Initiated shared Police Chief services and comprehensive analysis of options and opportunities with the City of Millbrae as an additional strategy in the continuing effort to reduce operating costs
- Provided oversight and guidance for important community improvement projects including:
 - Completed construction of the first phase of median island improvements on El Camino Real and installation of the new Gateway monuments identifying the entries to the community at Santa Lucia and Noor Avenues.
 - Completed playground improvements to the Catalpa Tot Lot.
- Completed preparation of draft Downtown and Transit Corridors Plan for final review through the Steering Committee and approval by the City Council.
- Completed review and approval of the Redevelopment Agency 5-Year Implementation Plan for the period 2009-2014.
- Continued participation in the Grand Boulevard Initiative and received a Vanguard Award from the program recognizing the Crossing/San Bruno as an example of the vision that the Initiative is intending for the El Camino Real corridor.
- Conducted continued Emergency Preparedness training and exercises for Emergency Operations Center staff from all departments.
- Completed construction of the final phase of residential development at the Crossing/San Bruno with the completion of the SNK condominiums and apartments.

- Continued the City's commitment to environmental sustainability with the establishment of a new ordinance requiring the use of recyclable food service ware at all San Bruno restaurants and other food service establishments; outreach and assistance to businesses prior to the April 1st ordinance effective date resulted in a high level of compliance.
- Established a Youth Advisory Committee to assist staff and the Parks and Recreation Commission in the evaluation and delivery of programs for youth in the community.
- Initiated the Cable Department's commercial services delivery with the transition of the City's telephone system to voice over Internet protocol as the first commercial services customer.

Completed critical utility, infrastructure and facility rehabilitation and improvement projects including:

- Installation of drainpipes and street improvements in the Belle Air Storm Drainage system
- Hillside repairs and stabilization above Madison Avenue
- Installation of technology equipment at the Emergency Operations Center to support disaster response and recovery
- Fire Station 51 Accessibility and Privacy Improvements
- Installation of an Emergency Power Supply Generator at the Senior Center
- Implementation of a Computerized Maintenance and Management System (CMMS) for Public Services Department
- Completion of Document Imaging System for the Community Development Department

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, 2010, the City has \$8,145,000 outstanding certificates of participation, issued in December 2000, for the police facility for the San Bruno Redevelopment Agency and \$8,475,000 outstanding certificates of participation, issued in May 2002, for waste water system improvements.

Advances from the Equipment Reserve Fund to the Redevelopment Agency amounted to \$2,977,033 as retirements of \$200,700 and \$250,000 were made to the General Fund and the Equipment Replacement Fund during the fiscal year.

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 financial statements for the year ended June 30, 2010 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 team effort of the Finance staff 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 work in conducting the audit.

Respectfully submitted,



Edmund Suen
Finance Director



CITY OF SAN BRUNO CITY COUNCIL

Jim Ruane, Mayor

Rico Medina, Vice Mayor

Ken Ibarra

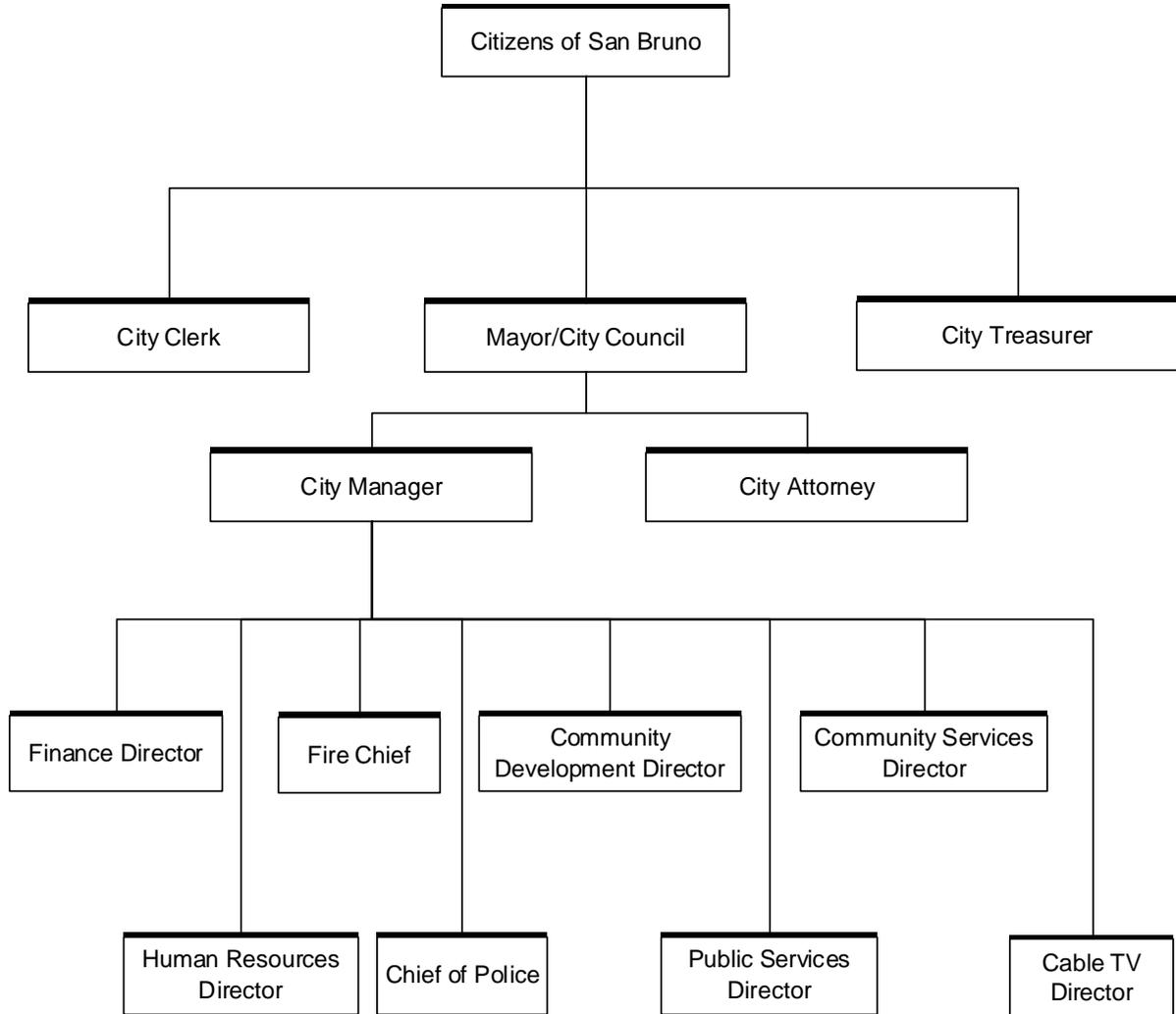
Irene O'Connell

Michael Salazar

CITY MANAGER

Connie Jackson

CITY OF SAN BRUNO





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City Council
City of San Bruno, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, 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, 2010, 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, 2009 and, in our report dated December 17, 2009, 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 the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno, California 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 RDA Housing and Measure A fund of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of San Bruno's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual 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 15, 2010 on our consideration of the City of San Bruno's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman Mc Cann P.C.

San Jose, California
December 15, 2010

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

The Management's Discussion and Analysis (MD&A) provides an overview of the City of San Bruno's activities and financial performance for the fiscal year ended June 30, 2010. To obtain a complete picture of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

Financial Highlights

- The City's government-wide net assets increased by \$1.28 million during 2009-10, bringing the total net assets to \$100.66 million. The 2009-10 increase in net assets marks the seventh straight year that the City has seen positive growth of net assets. Of the total government-wide net assets, \$65.24 million is invested in capital assets, \$806.6 thousand is restricted for specific use, and the balance of \$34.62 million is unrestricted for the City's operations and capital investments.
- The fund balance of the City's General Fund increased by \$532 thousand bringing the total to \$8.24 million. This increase is primarily the result of one-time revenues including excess ERAF tax received from the County and expenditure savings from staff position reductions and a city-wide furlough.
- The City's Governmental activities expenses were \$47.08 million, representing a modest 1.24% increase over 2008-09. This was offset by charges for services of \$7.58 million and Operating and Capital Contributions and Grants of \$6.54 million for a net cost to general revenues (taxes and investment income) of \$32.96 million. General governmental activities revenues totaled \$32.87 million for a deficit (expense greater than revenue) of \$93 thousand.
- Business-type activities expenses of \$26.75 million were offset by charges for services totaling \$29.23 million. Combined with non-program revenues totaling \$217 thousand, Net Assets increased by \$2.7 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

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

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. 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 17, 18, and 19 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 non-major 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 non-major 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 22-27 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. *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

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

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 30-35 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, the Project Development Fund and the San Bruno Garbage Company Fund. Since agency funds are custodial in nature (i.e. assets equal liabilities,) they do not involve the measurement of results of operations. For this reason, Fiduciary funds are not reflected in the government-wide financial statements.

The basic fiduciary fund financial statements can be found on page 36 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 37-71 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 73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 79-111 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 \$100.6 million at the close of fiscal year 2009-10. By far the largest portion of the City's net assets (64.8%) 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, 2010

Management's Discussion and Analysis, Continued

City of San Bruno's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 32,148,397	\$ 28,985,147	\$ 18,493,552	\$ 16,998,398	\$ 50,641,949	\$ 45,983,545
Noncurrent assets	47,582,870	48,068,265	53,731,241	53,403,833	101,314,111	101,472,098
Total assets	<u>79,731,267</u>	<u>77,053,412</u>	<u>72,224,793</u>	<u>70,402,231</u>	<u>151,956,060</u>	<u>147,455,643</u>
Current and other liabilities	7,058,046	5,422,535	3,345,608	2,977,233	10,403,654	8,399,768
Long-term liabilities	16,583,733	15,447,892	24,310,604	24,234,192	40,894,337	39,682,084
Total liabilities	<u>23,641,779</u>	<u>20,870,427</u>	<u>27,656,212</u>	<u>27,211,425</u>	<u>51,297,991</u>	<u>48,081,852</u>
Net assets:						
Invested in capital assets, net of related debt	35,618,922	38,094,423	29,617,094	29,548,513	65,236,016	67,642,936
Restricted	806,652	805,664	-	-	806,652	805,664
Unrestricted	<u>19,663,914</u>	<u>17,282,898</u>	<u>14,951,487</u>	<u>13,642,293</u>	<u>34,615,401</u>	<u>30,925,191</u>
Total net assets	<u>\$ 56,089,488</u>	<u>\$ 56,182,985</u>	<u>\$ 44,568,581</u>	<u>\$ 43,190,806</u>	<u>\$ 100,658,069</u>	<u>\$ 99,373,791</u>

An additional portion of the City's net assets (\$807,000 or less than 1 percent of Net Assets) represents resources that are subject to external restrictions on how they may be used. The remaining balance in *unrestricted net assets* of \$34.6 million will be used to meet the City's ongoing obligations to citizens and creditors as funded through current revenues.

At the end of fiscal year 2009-10, the City reported 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 as one time revenues including excess ERAF taxes and staff position reductions helped to minimize the decline in net assets for government activities to \$93,000 while rate increases in the water and wastewater enterprises for recovery of future capital expenditures were primary contributors to the increase in net assets for business activities by \$1.38 million.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

	Governmental Activities		Business Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Charges for Services	\$ 7.6	\$ 6.6	\$ 29.2	\$ 27.7	\$ 36.8	\$ 34.3
Operating Contributions & Grants	5.7	7.0	-	-	5.7	7.0
Capital Contributions & Grants	0.8	-	-	-	0.8	-
Property Taxes	6.6	5.6	-	-	6.6	5.6
Incremental Property Tax	9.3	9.2	-	-	9.3	9.2
Transient Occupancy Tax	1.3	1.4	-	-	1.3	1.4
Franchise Tax	1.8	1.8	-	-	1.8	1.8
Sales Tax	5.4	6.4	-	-	5.4	6.4
Cardroom Tax	1.5	1.6	-	-	1.5	1.6
Other Tax	1.5	1.5	-	-	1.5	1.5
Subvention	3.4	3.5	-	-	3.4	3.5
Use of Money and Property	2.2	1.4	0.1	(0.3)	2.3	1.1
Total Revenues	47.1	46.0	29.3	27.4	76.4	73.4
Expenses						
General Government	5.8	5.9	-	-	5.8	5.9
Public Safety	19.6	19.6	-	-	19.6	19.6
Public Works	0.9	1.2	-	-	0.9	1.2
Highway and Streets	4.8	5.4	-	-	4.8	5.4
Parks and Recreation	4.4	4.8	-	-	4.4	4.8
Library	1.7	1.9	-	-	1.7	1.9
Community Development	9.2	7.0	-	-	9.2	7.0
Interest Expense	0.7	0.7	-	-	0.7	0.7
Water	-	-	6.9	7.3	6.9	7.3
Stormwater	-	-	0.4	0.7	0.4	0.7
Wastewater	-	-	7.9	8.1	7.9	8.1
Cable Television	-	-	11.5	10.7	11.5	10.7
Total Expenses	47.1	46.5	26.7	26.8	73.8	73.3
Excess (Deficiency) in Net Assets, before Transfers	-	(0.5)	2.6	0.6	2.6	0.1
Transfers	(0.1)	0.2	0.1	(0.2)	-	-
Excess (Deficiency) in Net Assets	(0.1)	(0.3)	2.7	0.4	2.6	0.1
Beginning Net Assets, restated	56.2	56.5	43.2	42.8	99.4	99.3
Restatement of Net Assets	-	-	(1.3)	-	(1.3)	-
Ending Net Assets	\$ 56.1	\$ 56.2	\$ 44.6	\$ 43.2	\$ 100.7	\$ 99.4

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

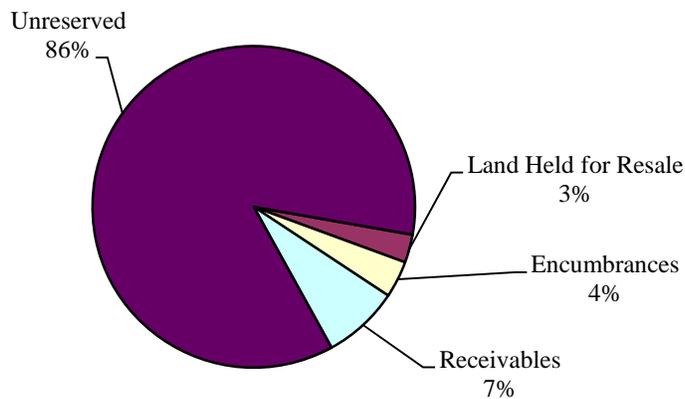
Management’s Discussion and Analysis, Continued

Governmental Activities

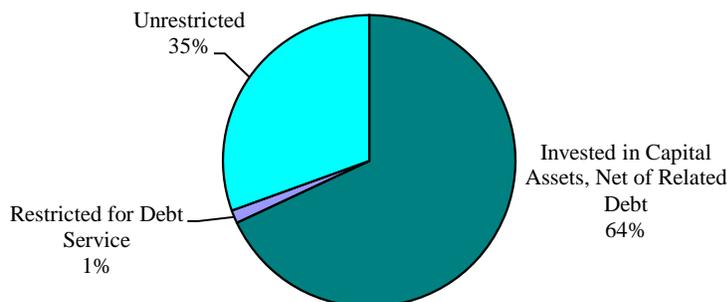
The cost of all Governmental activities this year was \$47.1 million. However, as shown in the Statement of Activities on pages 18 and 19, the amount that our taxpayers ultimately financed for these activities through City property taxes was only \$32.9 million because some of the cost was paid by those who directly benefited from the programs (\$7.6 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$5.7 million) for operations and (\$0.8 million) for capital. The City paid for the remaining “public benefit” portion of governmental activities with \$32.8 million in other general revenues (some of which could only be used for certain programs), net of transfers.

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:

Fund Balance



Net Assets



City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

Total resources available during the year to finance governmental operations were \$47.0 million. This consisted of \$14.1 million in program revenues, \$32.9 million in general revenues net of transfers. Total governmental activities operating expenses during the year were \$47.1 million. Thus, net assets at July 1, 2009 of \$56.2 million were decreased by \$93 thousand to \$56.1 million by June 30, 2010.

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.

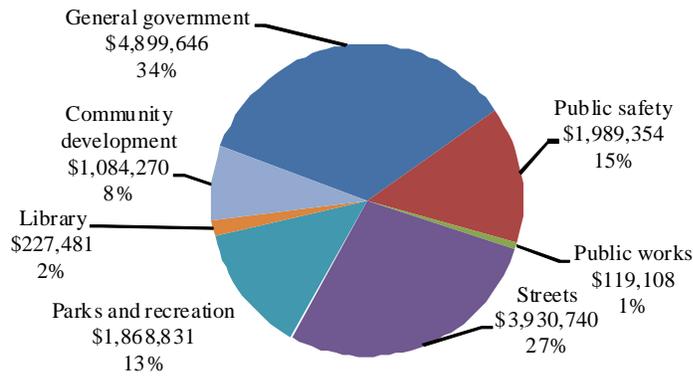
	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Assets	
	2010	2009	2010	2009	2010	2009
Governmental activities:						
General government	\$ 4,899,646	\$ 2,479,284	\$ 5,757,945	\$ 5,879,731	\$ (858,299)	\$ (3,400,447)
Public safety	1,989,354	4,457,016	19,593,501	19,625,779	(17,604,147)	(15,168,763)
Public works	119,108	111,176	862,049	1,256,060	(742,941)	(1,144,884)
Highways and streets	3,930,740	2,901,281	4,864,060	5,391,549	(933,320)	(2,490,268)
Parks and recreation	1,868,831	1,603,983	4,393,495	4,760,291	(2,524,664)	(3,156,308)
Library	227,481	141,205	1,757,550	1,890,435	(1,530,069)	(1,749,230)
Community development	1,084,270	1,905,157	9,180,082	7,030,845	(8,095,812)	(5,125,688)
Interest Expense	-	-	672,458	665,517	(672,458)	(665,517)
Total governmental activities	\$ 14,119,430	\$ 13,599,102	\$ 47,081,140	\$ 46,500,207	\$ (32,961,710)	\$ (32,901,105)

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

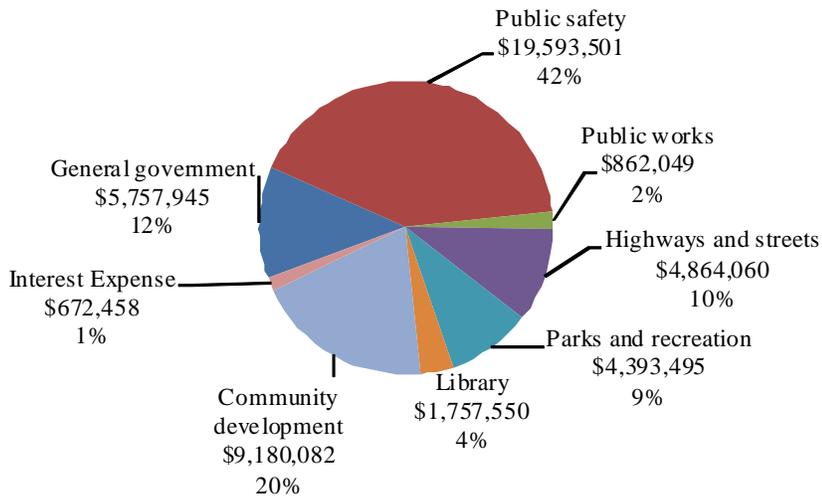
Management's Discussion and Analysis, Continued

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, 2010

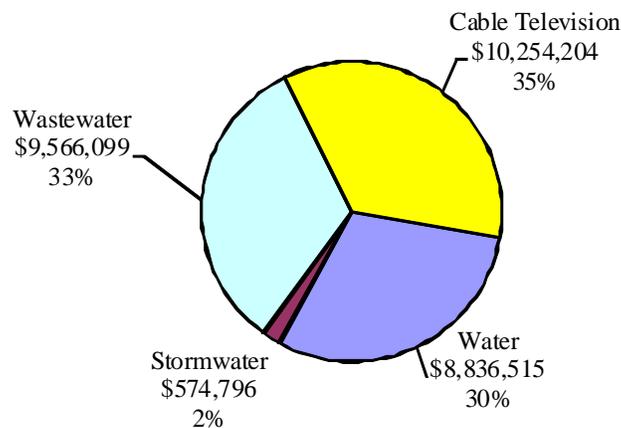
Management's Discussion and Analysis, Continued

Business-type activities

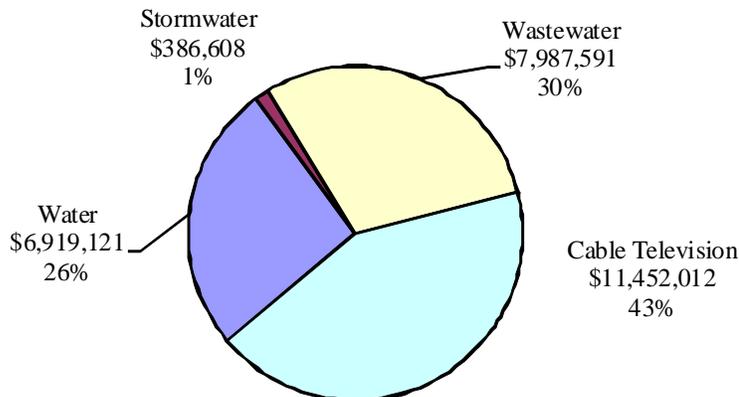
The City's business-type activities include: Water, Stormwater, Wastewater and Cable Television. Total resources available during the year to finance business-type activities were \$71.3 million consisting of net assets at July 1, 2009, of \$41.9 million (after including a prior period adjustment of \$1.3 million for Cable Enterprise Fund's depreciation of capital assets) and program revenues, investment income, and transfers of \$29.4 million. Total business-type activities expenses during the year were \$26.7 million; thus, net assets were increased by \$2.7 million to \$44.6 million.

Operating revenues and expenses can be depicted graphically as follows:

Operating Revenues



Operating Expenses



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.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

	Operating Revenues		Operating Expense		Net (Expense) and Changes in Net Assets	
	2010	2009	2010	2009	2010	2009
	Business-type activities:					
Water	\$ 8,836,515	\$ 8,174,920	\$ 6,919,121	\$ 7,341,657	\$ 1,917,394	\$ 833,263
Stormwater	574,796	618,552	386,608	687,278	188,188	(68,726)
Wastewater	9,566,099	9,061,789	7,987,591	8,054,907	1,578,508	1,006,882
Cable Television	10,254,204	9,833,713	11,452,012	10,700,667	(1,197,808)	(866,954)
Total business-type activities	\$ 29,231,614	\$ 27,688,974	\$ 26,745,332	\$ 26,784,509	\$ 2,486,282	\$ 904,465

Summary of Analysis of Governmental Funds

At June 30, 2010, the City's governmental fund balances were \$20 million, which is an increase of \$1.695 million or 9% from the balance of the prior year. Of the net increases,

- \$532,000 of the increase occurred in the General Fund, which is the result of a one-time funds from excess ERAF (Education Revenue Augmentation Fund) disbursements and a \$300,000 payment of unrestricted developer fees;
- \$91,500 of the increase occurred in the Redevelopment Capital Projects Fund due to lower expenditures than budgeted;
- \$397,000 decrease in Measure A transportation tax fund, as a result of budgeted capital expenditures intended to draw down the fund balance;
- \$1.19 million increase in the Street Capital Improvement Fund due to budgeted transfers into the fund exceeding actual expenditures.

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 of priority.

Capital Assets

The capital assets of the City are those assets used in the performance of the City's functions including infrastructure assets. At June 30, 2010, net capital assets of the governmental activities totaled \$47 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2009-10 fiscal year, capital assets for governmental activities decreased by \$485,395 due to accumulated depreciation in excess of additions, of \$370,177 and retirements of \$112,432. For the business-type activities, capital assets increased by \$5.2 million to \$53.5 million mainly as a result of buildings and improvements in the Water Fund and construction in progress in the Water, Wastewater, and Cable Funds.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management’s Discussion and Analysis, Continued

Additional information on the City’s capital assets can be found in Note 4 on Pages 54-56 of this report.

	Governmental B		usiness-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Land	\$561,197	\$561,197	\$576,842	\$576,842	\$1,138,039	\$1,138,039
Construction in Progress	2,058,731	750,954	4,290,864	5,495,070	6,349,595	6,246,024
Infrastructure	32,160,949	33,503,745	-	-	32,160,949	33,503,745
Sewer Plant	-	-	17,136,954	17,782,606	17,136,954	17,782,606
Buildings & Structures	8,940,976	9,158,973	26,672,159	23,709,754	35,613,135	32,868,727
Machinery & Equipment	3,295,018	3,527,396	4,814,787	4,263,393	8,109,805	7,790,789
Total	\$47,016,871	\$47,502,265	\$53,491,606	\$51,827,665	\$100,508,477	\$99,329,930

Debt Administration

Debt, considered a liability of governmental activities, decreased by \$762,859 a result of a claims liability decrease of \$411,837 as well as the retirement of debt related to the 2000 Certificate’s of Participation and Capital Lease obligations amounted to \$215,000 and \$333,219 respectively. Compensated absences increased by \$197,197.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In considering the City Budget for fiscal year 2010-2011, the City Council and management used the following criteria:

The key assumptions in our revenue forecast were:

- The adopted General Fund budget includes a 0.4% increase in total revenue, amounting to \$149,010 more than in the 2009-10 adopted budget.
- Property tax revenues are expected to remain flat while sales tax revenue is projected to increase by 7%; much of this increase is attributable to an increase in the sales tax in-lieu payments made by the State as a result of the triple-flip program.
- Water and wastewater rates will increase as part of the second year of a three-year rate increase adopted by the City Council in 2009-10.

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

Management’s Discussion and Analysis, Continued

The adopted budget for all City funds for the new fiscal year of 2010-11 was \$71.0 million and is summarized as follows:

	FY 2010-11
General fund	\$ 30,957,188
Special revenue funds	7,239,241
Enterprise funds	24,394,152
Internal service funds	4,782,984
Capital projects	-
Total operations and projects	<u>67,373,565</u>
Debt service	<u>3,629,153</u>
Total budget	<u><u>\$ 71,002,718</u></u>

Budgeted Expenditures:

- The adopted general fund budget includes a decrease of \$431,616 or approximately 1%. Expenditures reductions and a city-wide furlough contributed to this decrease.
- The capital improvement program for 2010-11 totals \$6,317,813. This amount includes significant funding for street rehabilitation and infrastructure improvements for the City’s utility operations. The breakdown is as follows:

	FY 2010-11
Parks & Facilities	\$ 655,564
Redevelopment Agency	-
Streets Improvement	1,804,737
Water Enterprise	1,290,134
Wastewater Enterprise	1,792,070
Stormwater Enterprise	152,000
Cable Television	386,224
Technology	<u>237,084</u>
Totals	<u><u>\$ 6,317,813</u></u>

A total of \$3,629,153 is set-aside to meet debt service obligations of the City. Of this amount, \$378,501 is budgeted in the general fund (non-departmental), \$1,862,182 is budgeted in the wastewater fund, \$740,982 is budgeted in the cable fund, and \$647,488 is budgeted in redevelopment operations.

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. Questions about this report should be directed to the Finance Department at 567 El Camino Real, San Bruno, CA 94066. This report as well as other financial reports can be viewed on the City of San Bruno’s website at www.sanbruno.ca.gov.

BASIC FINANCIAL STATEMENTS

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City of San Bruno, California

Statement of Net Assets

June 30, 2010

(with comparative totals for June 30, 2009)

	Governmental Activities	Business-Type Activities	Totals	
			2010	2009
ASSETS				
Current assets:				
Cash and investments	\$ 28,092,088	\$ 13,443,994	\$ 41,536,082	\$ 36,933,529
Cash and investments with fiscal agent/trustee	1,401,075	1,138,641	2,539,716	2,395,012
Receivables (net)	3,764,497	2,801,654	6,566,151	6,655,004
Internal balances	(1,109,263)	1,109,263	-	-
Total current assets	<u>32,148,397</u>	<u>18,493,552</u>	<u>50,641,949</u>	<u>45,983,545</u>
Noncurrent assets:				
Land held for resale	566,000	-	566,000	566,000
Deferred charges, net	-	239,637	239,637	250,529
Capital assets not being depreciated:				
Land	561,197	576,842	1,138,039	1,138,039
Construction in progress	2,058,732	4,290,864	6,349,596	6,246,024
Capital assets net of accumulated depreciation:				
Infrastructure	32,160,949	-	32,160,949	33,503,745
Buildings and improvements	8,940,975	43,809,113	52,750,088	50,651,334
Machinery and equipment	3,295,017	4,814,785	8,109,802	9,116,427
Total capital assets (net)	<u>47,016,870</u>	<u>53,491,604</u>	<u>100,508,474</u>	<u>100,655,569</u>
Total noncurrent assets	<u>47,582,870</u>	<u>53,731,241</u>	<u>101,314,111</u>	<u>101,472,098</u>
Total assets	<u>\$ 79,731,267</u>	<u>\$ 72,224,793</u>	<u>\$ 151,956,060</u>	<u>\$ 147,455,643</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 6,789,774	\$ 2,074,692	\$ 8,864,466	\$ 6,892,430
Interest payable	209,994	404,179	614,173	633,389
Unearned revenue	58,278	866,737	925,015	873,949
Total current liabilities	<u>7,058,046</u>	<u>3,345,608</u>	<u>10,403,654</u>	<u>8,399,768</u>
Noncurrent liabilities				
Due within one year	1,648,565	1,999,589	3,648,154	3,162,538
Due in more than one year	14,935,168	22,311,015	37,246,183	36,519,546
Total noncurrent liabilities	<u>16,583,733</u>	<u>24,310,604</u>	<u>40,894,337</u>	<u>39,682,084</u>
Total liabilities	<u>23,641,779</u>	<u>27,656,212</u>	<u>51,297,991</u>	<u>48,081,852</u>
NET ASSETS				
Invested in capital assets, net of related debt	35,618,922	29,617,094	65,236,016	67,642,936
Restricted for:				
Debt service	806,652	-	806,652	805,664
Unrestricted	19,663,914	14,951,487	34,615,401	30,925,191
Total net assets	<u>56,089,488</u>	<u>44,568,581</u>	<u>100,658,069</u>	<u>99,373,791</u>
Total liabilities and net asset:	<u>\$ 79,731,267</u>	<u>\$ 72,224,793</u>	<u>\$ 151,956,060</u>	<u>\$ 147,455,643</u>

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, 2010

(with comparative totals for the year ended June 30, 2009)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 5,757,945	\$ 3,831,697	\$ 1,067,949
Public safety	19,593,501	1,514,350	475,004
Public works	862,049	39,104	68,114
Highways and streets	4,864,060	18,700	3,100,158
Parks and recreation	4,393,495	988,075	880,756
Library	1,757,550	104,188	123,293
Community development	9,180,082	1,084,270	-
Interest expense	672,458	-	-
Total governmental activities:	47,081,140	7,580,384	5,715,274
Business-type activities:			
Water	6,919,121	8,836,515	-
Stormwater	386,608	574,796	-
Wastewater	7,987,591	9,566,099	-
Cable Television	11,452,012	10,254,204	-
Total business-type activities	26,745,332	29,231,614	-
Total primary government	\$ 73,826,472	\$ 36,811,998	\$ 5,715,274

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
- Other taxes

Intergovernmental, unrestricted:

- 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, as restated

Net assets - Ending

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
			2010	2009
\$ -	\$ (858,299)	\$ -	\$ (858,299)	\$ (3,400,447)
-	(17,604,147)	-	(17,604,147)	(15,168,763)
11,890	(742,941)	-	(742,941)	(1,144,884)
811,882	(933,320)	-	(933,320)	(2,490,268)
-	(2,524,664)	-	(2,524,664)	(3,156,308)
-	(1,530,069)	-	(1,530,069)	(1,749,230)
-	(8,095,812)	-	(8,095,812)	(5,125,688)
-	(672,458)	-	(672,458)	(665,517)
<u>823,772</u>	<u>(32,961,710)</u>	<u>-</u>	<u>(32,961,710)</u>	<u>(32,901,105)</u>
-	-	1,917,394	1,917,394	833,263
-	-	188,188	188,188	(68,726)
-	-	1,578,508	1,578,508	1,006,882
-	-	(1,197,808)	(1,197,808)	(866,954)
<u>-</u>	<u>-</u>	<u>2,486,282</u>	<u>2,486,282</u>	<u>904,465</u>
<u>\$ 823,772</u>	<u>(32,961,710)</u>	<u>2,486,282</u>	<u>(30,475,428)</u>	<u>(31,996,640)</u>
	6,561,286	-	6,561,286	5,609,011
	9,308,063	-	9,308,063	9,163,133
	1,344,364	-	1,344,364	1,339,877
	1,804,390	-	1,804,390	1,798,855
	5,366,248	-	5,366,248	6,402,912
	1,496,516	-	1,496,516	1,540,728
	1,487,538	-	1,487,538	1,523,129
	3,350,849	-	3,350,849	3,544,320
	2,242,441	123,648	2,366,089	1,141,956
	<u>32,961,695</u>	<u>123,648</u>	<u>33,085,343</u>	<u>32,063,921</u>
	(93,482)	93,482	-	-
	<u>32,868,213</u>	<u>217,130</u>	<u>33,085,343</u>	<u>32,063,921</u>
	(93,497)	2,703,412	2,609,915	67,281
	<u>56,182,985</u>	<u>41,865,169</u>	<u>98,048,154</u>	<u>99,306,510</u>
	<u>\$ 56,089,488</u>	<u>\$ 44,568,581</u>	<u>\$ 100,658,069</u>	<u>\$ 99,373,791</u>

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FUND FINANCIAL STATEMENTS

City of San Bruno, California

Balance Sheet

Governmental Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Major Funds			
	General	Redevelopment Agency		
		Special Revenue	Capital Projects	Debt Service
ASSETS				
Cash and investments	\$ 5,469,127	\$ 7,843,861	\$ 120,451	\$ 156,521
Cash and investments with fiscal agent/trustee	-	450,000	-	859,956
Receivables:				
Taxes	699,026	-	-	-
Interest	66,997	-	-	-
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	-
Service charges	-	-	-	-
Loans	648,702	90,000	-	-
Other	932,756	-	-	-
Due from other funds	2,493,223	-	-	-
Land held for resale	-	566,000	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 10,309,831	\$ 8,949,861	\$ 120,451	\$ 1,016,477
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,006,680	\$ 3,908,634	\$ -	\$ 209,825
Due to other funds	-	-	-	-
Deferred revenue	58,278	-	-	-
Advances from other funds	-	1,060,300	1,916,733	-
Total liabilities	2,064,958	4,968,934	1,916,733	209,825
Fund balances:				
Reserved for:				
Loans receivable	648,702	90,000	-	-
Encumbrances	152,533	126,343	-	-
Advances	-	-	-	-
Land held for resale	-	566,000	-	-
Unreserved (deficit), designated and reported in:				
General fund	7,443,638	-	-	-
Special revenue funds	-	3,198,584	-	-
Capital projects funds	-	-	(1,796,282)	-
Debt service funds	-	-	-	806,652
Total fund balances	8,244,873	3,980,927	(1,796,282)	806,652
Total liabilities and fund balances	\$ 10,309,831	\$ 8,949,861	\$ 120,451	\$ 1,016,477

Measure A Transportation Tax	Street Improvement Capital Projects	Other Governmental Funds	2010	2009
\$ 240,777	\$ 709,966	\$ 7,131,089	\$ 21,671,792	\$ 19,686,720
-	-	-	1,309,956	651,392
-	-	127,072	826,098	1,363,674
-	-	-	66,997	144,493
-	-	21,987	21,987	1,323,345
-	-	45,012	45,012	311,477
-	-	-	-	14,318
-	796,335	-	1,535,037	754,998
-	334,843	57	1,267,656	215
-	-	-	2,493,223	2,817,362
-	-	-	566,000	566,000
-	-	-	-	200,700
<u>\$ 240,777</u>	<u>\$ 1,841,144</u>	<u>\$ 7,325,217</u>	<u>\$ 29,803,758</u>	<u>\$ 27,834,694</u>
\$ -	\$ 463,584	\$ 132,230	\$ 6,720,953	\$ 4,943,577
-	-	45,252	45,252	1,064,839
-	-	-	58,278	92,134
-	-	-	2,977,033	3,427,733
-	463,584	177,482	9,801,516	9,528,283
-	796,335	-	1,535,037	754,998
-	231,204	229,305	739,385	732,940
-	-	-	-	200,700
-	-	-	566,000	566,000
-	-	-	7,443,638	6,652,186
240,777	-	6,560,009	9,999,370	9,580,539
-	350,021	358,421	(1,087,840)	(986,616)
-	-	-	806,652	805,664
<u>240,777</u>	<u>1,377,560</u>	<u>7,147,735</u>	<u>20,002,242</u>	<u>18,306,411</u>
<u>\$ 240,777</u>	<u>\$ 1,841,144</u>	<u>\$ 7,325,217</u>	<u>\$ 29,803,758</u>	<u>\$ 27,834,694</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, 2010

Total fund balances - total governmental funds \$ 20,002,242

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. 47,016,870

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	\$ 9,490,158	
Accounts payable and accrued liabilities	(168,243)	
Net amount allocated to business-type activities	<u>(3,557,234)</u>	5,764,681

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	(714,622)
Accrued interest payable	(209,994)
Liability for claims	(1,431,446)
Certificates of Participation	(8,145,000)
Compensated absences	(2,253,843)
Net OPEB obligation	<u>(3,939,400)</u>

Net assets of governmental activities: \$ 56,089,488

City of San Bruno, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Assets

Governmental Activities

June 30, 2010

	Governmental Funds Balance Sheet	Internal Service Balances	Eliminations Reclassifications	Changes in GAAP	Statement of Net Assets
ASSETS					
Current assets:					
Cash and investments	\$ 21,671,792	\$ 6,420,296	\$ -	\$ -	\$ 28,092,088
Cash and investments with fiscal agent/trustee	1,309,956	91,119	-	-	1,401,075
Receivables (net)	3,762,787	1,710	-	-	3,764,497
Due from other funds	2,493,223	-	(2,493,223)	-	-
Internal balances	-	-	2,447,971	(3,557,234)	(1,109,263)
Total current assets	<u>29,237,758</u>	<u>6,513,125</u>	<u>(45,252)</u>	<u>(3,557,234)</u>	<u>32,148,397</u>
Noncurrent assets:					
Advances to other funds	-	2,977,033	(2,977,033)	-	-
Land held for resale	566,000	-	-	-	566,000
Capital assets not being depreciated:					
Land	-	-	-	561,197	561,197
Construction in progress	-	-	-	2,058,732	2,058,732
Capital assets net of accumulated depreciation:					
Infrastructure	-	-	-	32,160,949	32,160,949
Buildings and improvements	-	-	-	8,940,975	8,940,975
Machinery and equipment	-	-	-	3,295,017	3,295,017
Total noncurrent assets	<u>566,000</u>	<u>2,977,033</u>	<u>(2,977,033)</u>	<u>47,016,870</u>	<u>47,582,870</u>
Total assets	<u>29,803,758</u>	<u>9,490,158</u>	<u>(3,022,285)</u>	<u>43,459,636</u>	<u>79,731,267</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	6,720,953	68,821	-	-	6,789,774
Due to other funds	45,252	-	(45,252)	-	-
Interest payable	-	-	-	209,994	209,994
Deferred revenue	58,278	-	-	-	58,278
Compensated absences	-	99,422	-	975,113	1,074,535
Total current liabilities	<u>6,824,483</u>	<u>168,243</u>	<u>(45,252)</u>	<u>1,185,107</u>	<u>8,132,581</u>
Noncurrent liabilities:					
Advances from other funds	2,977,033	-	(2,977,033)	-	-
Compensated absences	-	45,286	-	1,233,444	1,278,730
Due within one year	-	-	-	574,030	574,030
Due after one year	-	-	-	8,285,592	8,285,592
Liability for claims	-	1,431,446	-	-	1,431,446
Net OPEB obligation	-	-	-	3,939,400	3,939,400
Total noncurrent liabilities	<u>2,977,033</u>	<u>1,476,732</u>	<u>(2,977,033)</u>	<u>14,032,466</u>	<u>15,509,198</u>
Total liabilities	<u>9,801,516</u>	<u>1,644,975</u>	<u>(3,022,285)</u>	<u>15,217,573</u>	<u>23,641,779</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	38,157,248	38,157,248
Restricted for:					
Debt service	806,652	-	-	-	806,652
Other purposes	-	-	-	-	-
Unrestricted (deficit)	<u>19,195,590</u>	<u>7,845,183</u>	<u>-</u>	<u>(9,915,185)</u>	<u>17,125,588</u>
Total net assets	<u>20,002,242</u>	<u>7,845,183</u>	<u>-</u>	<u>28,242,063</u>	<u>56,089,488</u>
Total liabilities and net assets	<u>29,803,758</u>	<u>9,490,158</u>	<u>(3,022,285)</u>	<u>43,459,636</u>	<u>79,731,267</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, 2010
(with comparative totals for the year ended June 30, 2009)

	Major Funds			
	General	Redevelopment Agency		
		Special Revenue	Capital Projects	Debt Service
REVENUES:				
Taxes	\$ 16,758,077	\$ 9,308,063	\$ -	\$ -
Licenses and permits	1,959,326	-	-	-
Intergovernmental	3,350,849	-	-	-
Charges for services	3,319,982	-	-	-
Fines and forfeitures	758,680	-	-	-
Use of money and property	1,779,590	73,057	531	733
Other revenues	4,711,368	-	-	-
Total revenues	32,637,872	9,381,120	531	733
EXPENDITURES:				
Current:				
General government	3,424,030	-	-	-
Public safety	19,730,618	-	-	-
Public works	723,479	-	-	-
Highways and streets	1,350,295	-	-	-
Parks and recreation	4,177,844	-	-	-
Library	1,740,437	-	-	-
Community development	1,004,153	7,965,176	9,021	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	215,000
Interest and fiscal charges	-	200,004	-	432,178
Total expenditures	32,150,856	8,165,180	9,021	647,178
REVENUES OVER (UNDER) EXPENDITURES	487,016	1,215,940	(8,490)	(646,445)
OTHER FINANCING SOURCES (USES):				
Transfers in	586,776	300,000	815,000	647,436
Transfers out	(541,663)	(1,512,436)	(715,000)	-
Total other financing sources (uses)	45,113	(1,212,436)	100,000	647,436
Net change in fund balances	532,129	3,504	91,510	991
FUND BALANCES:				
Beginning of year	7,712,744	3,977,423	(1,887,792)	805,661
End of year	<u>\$ 8,244,873</u>	<u>\$ 3,980,927</u>	<u>\$ (1,796,282)</u>	<u>\$ 806,652</u>

			Totals	
Measure A Transportation Tax	Street Improvement Capital Projects	Other Governmental Funds	2010	2009
\$ 654,511	\$ -	\$ 1,142,924	\$ 27,863,575	\$ 27,788,860
-	-	77,642	2,036,968	3,644,640
-	790,385	522,026	4,663,260	4,024,517
-	-	-	3,319,982	2,812,413
-	-	4,541	763,221	649,186
7,585	16,407	61,057	1,938,960	1,433,302
-	21,497	1,418,812	6,151,677	5,601,449
<u>662,096</u>	<u>828,289</u>	<u>3,227,002</u>	<u>46,737,643</u>	<u>45,954,367</u>
-	-	8,622	3,432,652	3,831,772
-	-	61,366	19,791,984	19,606,624
-	-	71,659	795,138	1,228,246
-	1,605,083	969,064	3,924,442	4,101,578
-	-	141,316	4,319,160	4,627,648
-	-	12,487	1,752,924	1,903,867
-	-	-	8,978,350	7,998,339
-	-	1,071,479	1,071,479	696,590
-	-	333,219	548,219	523,124
-	-	45,282	677,464	702,518
-	<u>1,605,083</u>	<u>2,714,494</u>	<u>45,291,812</u>	<u>45,220,306</u>
<u>662,096</u>	<u>(776,794)</u>	<u>512,508</u>	<u>1,445,831</u>	<u>734,061</u>
-	1,963,002	1,105,942	5,418,156	3,504,587
(1,058,875)	-	(1,340,182)	(5,168,156)	(3,317,169)
<u>(1,058,875)</u>	<u>1,963,002</u>	<u>(234,240)</u>	<u>250,000</u>	<u>187,418</u>
(396,779)	1,186,208	278,268	1,695,831	921,479
<u>637,556</u>	<u>191,352</u>	<u>6,869,467</u>	<u>18,306,411</u>	<u>17,384,932</u>
<u>\$ 240,777</u>	<u>\$ 1,377,560</u>	<u>\$ 7,147,735</u>	<u>\$ 20,002,242</u>	<u>\$ 18,306,411</u>

City of San Bruno, California

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

For the year ended June 30, 2010

Functions/Programs	Fund Based Totals	Compensated Absences/ Debt Service	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund Eliminations	OPEB Obligation	Government- wide Totals
Primary government:							
Governmental activities:							
General government	\$ 3,432,652	\$ 185,943	\$ 277,525	\$ -	\$ (36,875)	\$ 1,898,700	\$ 5,757,945
Public safety	19,791,984	-	176,638	(287,202)	(87,919)	-	19,593,501
Public works	795,138	-	75,807	-	(8,896)	-	862,049
Highways and streets	3,924,442	-	1,820,573	(872,059)	(8,896)	-	4,864,060
Parks and recreation	4,319,160	-	370,121	(245,285)	(50,501)	-	4,393,495
Library	1,752,924	-	20,251	-	(15,625)	-	1,757,550
Community development	8,978,350	-	332,936	(112,431)	(18,773)	-	9,180,082
Capital outlay	1,071,479	-	-	(1,071,479)	-	-	-
Debt service/Interest expense	1,225,683	(553,225)	-	-	-	-	672,458
Total governmental activities	45,291,812	(367,282)	3,073,851	(2,588,456)	(227,485)	1,898,700	47,081,140
Business-type activities:							
Water	6,987,982	-	-	-	(68,861)	-	6,919,121
Stormwater	405,724	-	-	-	(19,116)	-	386,608
Wastewater	7,992,863	-	-	-	(5,272)	-	7,987,591
Cable Television	11,485,455	-	-	-	(33,443)	-	11,452,012
Total business-type activities	26,872,024	-	-	-	(126,692)	-	26,745,332
Total expenditures/expenses	\$ 72,163,836	\$ (367,282)	\$ 3,073,851	\$ (2,588,456)	\$ (354,177)	\$ 1,898,700	\$ 73,826,472

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, 2010

Net change in fund balances- total governmental funds \$ 1,695,831

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	2,720,704
Capital asset retirements	(132,247)
Depreciation expense	(3,073,852)
	<u>(485,395)</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>(1,898,700)</u>
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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	333,219
Certificate of participation principal payments	215,000
	<u>548,219</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	5,006
Accrued compensated absences	(185,943)
	<u>(180,937)</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 \$227,485
attributed to governmental activities

	<u>227,485</u>
--	----------------

Change in net assets of governmental activitie

	<u>\$ (93,497)</u>
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City of San Bruno, California

Statement of Net Assets

Proprietary Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$ 7,899,030	\$ 1,228,949	\$ 4,315,815
Cash and investments with fiscal agent/trustee	-	-	1,073,392
Accounts receivable	849,102	-	962,639
Total current assets	8,748,132	1,228,949	6,351,846
Noncurrent assets:			
Advance to City of San Bruno Redevelopment Agency	-	-	-
Deferred charges, net	-	-	239,637
Property, plant and equipment (net)	13,298,153	1,049,650	31,794,032
Total noncurrent assets	13,298,153	1,049,650	32,033,669
Total assets	\$ 22,046,285	\$ 2,278,599	\$ 38,385,515
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 589,471	\$ 53,762	\$ 914,727
Due to other funds	-	-	-
Interest payable	-	-	399,711
Unearned revenue	-	-	-
Compensated absences - current	46,765	-	60,831
Long term debt - due within one year	-	-	1,121,572
Total current liabilities	636,236	53,762	2,496,841
Noncurrent liabilities:			
Compensated absences - noncurrent	43,517	6,070	47,346
Long term debt - due in more than one year	-	-	20,506,086
Liability for claims - non-current	-	-	-
Total noncurrent liabilities	43,517	6,070	20,553,432
Total liabilities	679,753	59,832	23,050,273
Net Assets			
Invested in capital assets, net of related debt	13,298,153	1,049,650	10,166,374
Unrestricted (deficit)	8,068,379	1,169,117	5,168,868
Total net assets	21,366,532	2,218,767	15,335,242
Total liabilities and net assets	\$ 22,046,285	\$ 2,278,599	\$ 38,385,515
Reconciliation to government-wide statement of net assets:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,658,114	144,955	790,659
Net assets of business-type activities	\$ 23,024,646	\$ 2,363,722	\$ 16,125,901

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	
	2010	2009	2010	2009
\$ 200	\$ 13,443,994	\$ 10,925,393	\$ 6,420,296	\$ 6,321,416
65,249	1,138,641	1,652,502	91,119	91,118
989,913	2,801,654	2,742,484	1,710	-
1,055,362	17,384,289	15,320,379	6,513,125	6,412,534
-	-	-	2,977,033	3,227,033
-	239,637	250,529	-	-
7,349,769	53,491,604	53,153,304	-	-
7,349,769	53,731,241	53,403,833	2,977,033	3,227,033
\$ 8,405,131	\$ 71,115,530	\$ 68,724,212	\$ 9,490,158	\$ 9,639,567
\$ 516,732	\$ 2,074,692	\$ 1,777,029	\$ 68,821	\$ 171,824
2,447,971	2,447,971	1,752,523	-	-
4,468	404,179	418,389	-	-
866,737	866,737	781,815	-	-
140,411	248,007	193,948	99,422	97,224
630,010	1,751,582	1,452,297	-	-
4,606,329	7,793,168	6,376,001	168,243	269,048
91,154	188,087	184,924	45,286	36,230
1,616,842	22,122,928	22,403,023	-	-
-	-	-	1,431,446	1,843,282
1,707,996	22,311,015	22,587,947	1,476,732	1,879,512
6,314,325	30,104,183	28,963,948	1,644,975	2,148,560
5,102,917	29,617,094	29,548,513	-	-
(3,012,111)	11,394,253	10,211,751	7,845,183	7,491,007
2,090,806	41,011,347	39,760,264	7,845,183	7,491,007
\$ 8,405,131	\$ 71,115,530	\$ 68,724,212	\$ 9,490,158	\$ 9,639,567
963,506	3,557,234	3,430,542		
\$ 3,054,312	\$ 44,568,581	\$ 43,190,806		

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

City of San Bruno, California

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

Proprietary Funds

For the year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 8,604,616	\$ -	\$ -
Sewer service charges	-	-	9,491,630
Cable television charges	-	-	-
Other service charges	100,982	556,260	33,340
Other operating revenue	130,917	18,536	41,129
Insurance cost allocation	-	-	-
Total operating revenues	8,836,515	574,796	9,566,099
OPERATING EXPENSES:			
Water supply	4,029,980	-	-
Distribution	2,278,781	299,361	-
Customer accounting	31,791	-	-
Treatment	-	-	5,845,007
Cable operations	-	-	-
Central garage	-	-	-
Insurance expenses	-	78,396	-
Equipment replacement	-	-	-
Technology support	-	-	-
Facilities maintenance	-	-	-
Depreciation and amortization	647,430	27,967	1,390,630
Total operating expenses	6,987,982	405,724	7,235,637
OPERATING INCOME (LOSS)	1,848,533	169,072	2,330,462
NONOPERATING REVENUES (EXPENSES):			
Investment income	72,145	14,166	37,267
Interest and debt service expenses	-	-	(757,226)
Total non-operating revenues (expenses), net	72,145	14,166	(719,959)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,920,678	183,238	1,610,503
Transfers in (out)	-	-	-
CHANGE IN NET ASSETS	1,920,678	183,238	1,610,503
NET ASSETS:			
Beginning of year, as originally reported	19,445,854	2,035,529	13,724,739
Prior period adjustment	-	-	-
Beginning of year, as adjusted	19,445,854	2,035,529	13,724,739
End of year	<u>\$ 21,366,532</u>	<u>\$ 2,218,767</u>	<u>\$ 15,335,242</u>
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	68,861	19,116	5,272
Change in net assets of business-type activities - End of year	<u>\$ 1,989,539</u>	<u>\$ 202,354</u>	<u>\$ 1,615,775</u>

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2010	2009	2010	2009
\$ -	\$ 8,604,616	\$ 7,981,131	\$ -	\$ -
-	9,491,630	8,847,632	-	-
10,094,264	10,094,264	9,833,713	-	-
159,940	850,522	867,864	2,757,474	2,892,460
-	190,582	158,634	-	-
-	-	-	1,578,156	1,829,868
10,254,204	29,231,614	27,688,974	4,335,630	4,722,328
-	4,029,980	4,517,022	-	-
-	2,578,142	2,600,495	-	-
-	31,791	228,506	-	-
-	5,845,007	5,988,799	-	-
9,829,246	9,829,246	9,743,032	-	-
-	-	-	678,168	658,811
-	78,396	92,184	1,251,307	2,077,059
-	-	-	177,236	4,300
-	-	-	480,194	491,602
-	-	-	1,051,067	1,025,064
1,525,761	3,591,788	2,967,998	-	-
11,355,007	25,984,350	26,138,036	3,637,972	4,256,836
(1,100,803)	3,247,264	1,550,938	697,658	465,492
70	123,648	(291,344)	-	-
(130,448)	(887,674)	(859,648)	-	-
(130,378)	(764,026)	(1,150,992)	-	-
(1,231,181)	2,483,238	399,946	697,658	465,492
93,482	93,482	(187,418)	(343,482)	-
(1,137,699)	2,576,720	212,528	354,176	465,492
4,554,142	39,760,264	39,547,736	7,491,007	7,025,515
(1,325,637)	(1,325,637)	-	-	-
3,228,505	38,434,627	39,547,736	7,491,007	7,025,515
\$ 2,090,806	\$ 41,011,347	\$ 39,760,264	\$ 7,845,183	\$ 7,491,007
33,443	126,692	213,175		
\$ (1,104,256)	\$ 2,703,412	\$ 425,703		

City of San Bruno, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2010

(with comparative amounts for the year ended June 30, 2009)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	8,815,155	633,713	9,520,698
Cash payments to suppliers for goods and services	(5,336,855)	(156,102)	(4,271,439)
Cash payments to employees for services	(1,197,002)	(196,638)	(969,291)
Cash payments for loss claims	-	-	-
Net cash used by operating activities	2,281,298	280,973	4,279,968
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 CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(726,911)	(911,056)	(19,301,833)
Proceeds from issuance of debt	-	-	-
Acquisition of capacity rights	-	-	17,782,606
Principal payments on long-term debt	-	-	(1,093,228)
Interest paid on long-term debt	-	-	(775,904)
Net cash (used) by capital and related financing activities	(726,911)	(911,056)	(3,388,359)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received (lost)	72,145	14,166	37,267
Net cash provided by investing activities	72,145	14,166	37,267
Net increase (decrease) in cash and cash equivalents	1,626,532	(615,917)	928,876
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,272,498	1,844,866	4,460,331
End of year	<u>\$ 7,899,030</u>	<u>\$ 1,228,949</u>	<u>\$ 5,389,207</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Asset:			
Cash and investments	\$ 7,899,030	\$ 1,228,949	\$ 4,315,815
Cash and investments held by trustees	-	-	1,073,392
Total Cash and Cash Equivalents, End of Year	<u>\$ 7,899,030</u>	<u>\$ 1,228,949</u>	<u>\$ 5,389,207</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:			
Operating income (loss)	\$ 1,848,533	\$ 169,072	\$ 2,330,462
Adjustments to reconcile operating loss to net cash used in operating activities:			
Prior period adjustments	-	-	-
Depreciation and amortization	647,430	27,967	1,390,630
(Increase) decrease in current assets:			
Accounts receivable	(21,360)	58,917	(45,401)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(197,304)	33,721	603,273
Unearned revenue	-	-	-
Compensated absences	3,999	(8,704)	1,004
Increase (decrease) in claims liability - noncurrent	-	-	-
Net cash used by operating activities	<u>\$ 2,281,298</u>	<u>\$ 280,973</u>	<u>\$ 4,279,968</u>

Cable Television	Totals		Governmental Activities - Internal Service Funds	
	Totals		Totals	
	2010	2009	2010	2009
\$ -	\$ -	\$ -	\$ 4,333,920	\$ 4,722,328
10,287,800	29,257,366	27,684,110	-	-
(8,311,461)	(18,075,857)	(19,942,436)	(4,141,557)	(3,872,427)
(1,598,889)	(3,961,820)	(3,961,820)	-	-
377,450	7,219,689	3,779,854	192,363	849,901
665,448	665,448	1,634,970	250,000	-
-	-	(187,418)	(343,482)	-
665,448	665,448	1,447,552	(93,482)	-
(1,964,158)	(22,903,958)	(4,223,265)	-	-
1,609,267	1,609,267	-	-	-
-	17,782,606	(20,949)	-	-
(496,848)	(1,590,076)	(1,406,738)	-	-
(125,980)	(901,884)	(877,537)	-	-
(977,719)	(6,004,045)	(6,528,489)	-	-
70	123,648	(291,344)	-	-
70	123,648	(291,344)	-	-
65,249	2,004,740	(1,592,427)	98,881	849,901
200	12,577,895	14,170,322	6,412,534	5,562,633
\$ 65,449	\$ 14,582,635	\$ 12,577,895	\$ 6,511,415	\$ 6,412,534
\$ 200	\$ 13,443,994	\$ 10,925,393	\$ 6,420,296	\$ 6,321,416
65,249	1,138,641	1,652,502	91,119	91,118
\$ 65,449	\$ 14,582,635	\$ 12,577,895	\$ 6,511,415	\$ 6,412,534
\$ (1,100,803)	\$ 3,247,264	\$ 1,550,938	\$ 697,658	\$ 465,492
(1,325,637)	(1,325,637)	-	-	-
1,525,761	3,591,788	2,967,998	-	-
(51,326)	(59,170)	(23,256)	(1,710)	-
(142,027)	297,663	(773,080)	(103,003)	(149,970)
84,922	84,922	18,392	-	-
60,923	57,222	38,862	11,254	36,244
-	-	-	(411,836)	498,135
\$ (948,187)	\$ 5,894,052	\$ 3,779,854	\$ 192,363	\$ 849,901

City of San Bruno, California

Statement of Assets and Liabilities

Fiduciary Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Agency Funds	
	2010	2009
ASSETS		
Cash and investments	\$ 712,390	\$ 688,763
Accounts receivable	470,863	521,883
Total assets	\$ 1,183,253	\$ 1,210,646
LIABILITIES		
Accounts payable	\$ 904,208	\$ 870,618
Other liabilities	279,045	340,028
Total liabilities	\$ 1,183,253	\$ 1,210,646

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

NOTES TO BASIC FINANCIAL STATEMENTS

City of San Bruno, California
Basic Financial Statements
For the year ended June 30, 2010

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City of San Bruno, California
Notes to Basic Financial Statements
For the year ended June 30, 2010

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, 2010

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. However, some funds that have previously met the major fund threshold but fail to do so in the current year continue to be shown as major funds for consistency.

The funds of the financial reporting entity are described below:

Governmental Activities

General Fund

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

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted 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, 2010

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, which are Project Development and San Bruno Garbage Company. 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, 2010

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.
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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Non-Major:

Special Revenue Funds:

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.
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.
Federal/State Grants	Accounts for activities for the City's grants.
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 SB322 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, 2010

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 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, 2010

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

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.

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."

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund Receivables and Payables, continued

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.

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets, continued

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.

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 capital leases, 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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budgetary Policies, continued

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, 2010, 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.
6. Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.
7. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Federal and State Grants, Police Asset Seizure and Streets Special Revenue Fund, which is not budgeted.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS

At June 30, 2010, 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	\$ -	\$ -	\$ -	\$ -	\$ 2,153,435	\$ 2,153,435
Petty cash	-	-	-	-	3,730	3,730
Cash held by South San Francisco	-	-	-	-	23,750	23,750
Total pooled items	-	-	-	-	2,180,915	2,180,915
<u>Interest obligations</u>						
Federal Farm Credit Banks	-	2,001,880	-	-	-	2,001,880
Federal Home Loan Bank	1,002,810	1,001,560	4,025,000	1,000,940	-	7,030,310
Federal Natl. Mortgage Assoc.	1,002,810	-	2,008,120	-	-	3,010,930
Fiscal agent investments - Money Market Accounts	2,515,966	-	-	-	-	2,515,966
Morgan Stanley FDIC Guaranteed Note	-	1,006,450	-	-	-	1,006,450
County of San Mateo Investment Pool	13,445,136	-	-	-	-	13,445,136
State of California Local Agency Investment Fund	13,596,601	-	-	-	-	13,596,601
Total pooled investments - interest obligations	31,563,323	4,009,890	6,033,120	1,000,940	-	42,607,273
Total cash equivalents and investments pooled	\$ 31,563,323	\$ 4,009,890	\$ 6,033,120	\$ 1,000,940	\$ 2,180,915	\$ 44,788,188
Amounts reported in:						
Governmental activities						\$ 29,493,162
Business-type activities						14,582,636
Fiduciary activities - Agency funds						712,390
Total						\$ 44,788,188

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.

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, there 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, there 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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

Credit risk. As of June 30, 2010, 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.

<u>Investment Type</u>	<u>Amount</u>
<i>AAA rated:</i>	
<i>Available for Operations:</i>	
U.S. Government Agency Obligations	\$ 12,043,120
Corporate Note	1,006,450
<i>Restricted:</i>	
Money Market Funds	2,515,966
<i>Not rated:</i>	
County of San Mateo Investment Pool	13,445,136
California Local Agency Investment Fund	13,596,601
<i>Exempt from credit rate disclosure:</i>	
Demand Deposits	<u>2,180,915</u>
Total Cash and Investments	<u>\$ 44,788,188</u>

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, 2010, the City's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Non-negotiable certificates of deposit	1 years	None	None
LAIF	N/A	None	None
Local government investment pools	N/A	None	None
Collateralized negotiable investments	5 years	None	50%

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

During the year ended June 30, 2010, the City's permissible investments for fiscal agents included the following instruments:

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

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, 2010:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Taxes	\$ 826,098	\$ -	\$ -	\$ 826,098
Interest	66,997	-	-	66,997
Intergovernmental subventions	21,987	-	-	21,987
Intergovernmental grants	45,012	-	-	45,012
Service charges	-	2,801,654	470,864	3,272,518
Loans	1,535,037	-	-	1,535,037
Expense reimbursements	1,267,656	-	-	1,267,656
Total accounts receivable	<u>\$ 3,762,787</u>	<u>\$ 2,801,654</u>	<u>\$ 470,864</u>	<u>\$ 7,035,305</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Nondepreciable:						
Land	\$ 561,197	\$ 561,197	\$ 576,842	\$ 576,842	\$ 1,138,039	\$ 1,138,039
Construction in progress	2,058,731	750,954	4,290,864	5,495,070	6,349,595	6,246,024
Depreciable:						
Infrastructure, net	32,160,949	33,503,745	-	-	32,160,949	33,503,745
Sewer Plant	-	-	17,136,954	17,782,606	17,136,954	17,782,606
Buildings and improvements, net	8,940,976	9,158,973	26,672,159	23,709,754	35,613,135	32,868,727
Machinery and equipment, net	3,295,017	3,527,396	4,814,787	4,263,393	8,109,804	7,790,789
Total	\$ 47,016,870	\$ 47,502,265	\$ 53,491,606	\$ 51,827,665	\$ 100,508,476	\$ 99,329,930

Capital asset activity for the year ended June 30, 2010 for governmental activities was as follows:

	Balance July 1, 2009	Additions	Deletions	Adjustment/ Transfer	Balance June 30, 2010
<u>Governmental activities:</u>					
<u>Non-depreciable:</u>					
Land	\$ 561,197	\$ -	\$ -	\$ -	\$ 561,197
Construction in process	750,954	1,420,209	(112,432)	-	2,058,731
<u>Depreciable:</u>					
Infrastructure	67,516,780	465,233	-	-	67,982,013
Buildings and improvements	13,568,587	168,314	-	-	13,736,901
Machinery and equipment	8,172,298	667,698	-	(20,566)	8,819,430
Total cost	<u>90,569,816</u>	<u>2,721,454</u>	<u>(112,432)</u>	<u>(20,566)</u>	<u>93,158,272</u>
Less: accumulated depreciation					
Infrastructure	(34,013,035)	(1,808,029)	-	-	(35,821,064)
Buildings and Improvements	(4,409,614)	(386,312)	-	-	(4,795,926)
Machinery and equipment	(4,644,902)	(897,290)	-	17,780	(5,524,412)
Total depreciation	<u>(43,067,551)</u>	<u>(3,091,631)</u>	<u>-</u>	<u>17,780</u>	<u>(46,141,402)</u>
<u>Net book value</u>					
<u>Non-depreciable:</u>					
Land	\$ 561,197	\$ -	\$ -	\$ -	\$ 561,197
Construction in process	750,954	1,420,209	(112,432)	-	2,058,731
<u>Depreciable:</u>					
Infrastructure	33,503,745	(1,342,796)	-	-	32,160,949
Buildings and improvements	9,158,973	(217,998)	-	-	8,940,975
Machinery and equipment	3,527,396	(229,592)	-	(2,786)	3,295,018
Net book value	<u>\$ 47,502,265</u>	<u>\$ (370,177)</u>	<u>\$ (112,432)</u>	<u>\$ (2,786)</u>	<u>\$ 47,016,870</u>

Depreciation expense for governmental activities for the year ended June 30, 2010 was as follows:

General government	\$ 277,525
Public safety	176,638
Public works	75,807
Highways and streets	1,820,573
Parks and recreation	387,901
Library	20,251
Community development	332,936
	<u>\$ 3,091,631</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2010 for business-type activities was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Business-type activities:				
Water				
Land	\$ 76,842	\$ -	\$ -	\$ 76,842
Construction in process	3,408,107	701,716	(3,025,306)	1,084,517
Buildings and Improvements	14,012,226	3,025,306	-	17,037,532
Machinery and equipment	3,084,151	42,976	(23,406)	3,103,721
Total	<u>20,581,326</u>	<u>3,769,998</u>	<u>(3,048,712)</u>	<u>21,302,612</u>
Stormwater				
Construction in process	-	225,446	-	225,446
Buildings and Improvements	-	685,610	-	685,610
Machinery and equipment	490,903	-	-	490,903
Total	<u>490,903</u>	<u>911,056</u>	<u>-</u>	<u>1,401,959</u>
Wastewater				
Construction in process	443,232	903,772	-	1,347,004
Sewer Plant	22,952,682	272,455	-	23,225,137
Buildings and Improvements	15,454,943	329,462	-	15,784,405
Machinery and equipment	410,171	13,540	-	423,711
Total	<u>39,261,028</u>	<u>1,519,229</u>	<u>-</u>	<u>40,780,257</u>
Cable Television				
Land	500,000	-	-	500,000
Construction in process	1,643,731	2,087,640	(2,097,474)	1,633,897
Buildings and Improvements	3,030,888	-	-	3,030,888
Machinery and equipment	10,290,153	2,097,474	-	12,387,627
Total	<u>15,464,772</u>	<u>4,185,114</u>	<u>(2,097,474)</u>	<u>17,552,412</u>
Total cost-Business Activities	<u>\$ 75,798,029</u>	<u>\$ 10,385,397</u>	<u>\$ (5,146,186)</u>	<u>\$ 81,037,240</u>
Totals by category				
Land	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in process	5,495,070	3,918,574	(5,122,780)	4,290,864
Total nondepreciable	<u>\$ 6,071,912</u>	<u>\$ 3,918,574</u>	<u>\$ (5,122,780)</u>	<u>\$ 4,867,706</u>
Depreciable:				
Sewer Plant	22,952,682	272,455	-	23,225,137
Buildings and Improvements	32,498,057	4,040,378	-	36,538,435
Machinery and equipment	14,275,378	2,153,990	(23,406)	16,405,962
Total depreciable	<u>69,726,117</u>	<u>6,466,823</u>	<u>(23,406)</u>	<u>76,169,534</u>
Total cost by category	<u>\$ 75,798,029</u>	<u>\$ 10,385,397</u>	<u>\$ (5,146,186)</u>	<u>\$ 81,037,240</u>

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. CAPITAL ASSETS, Continued

Accumulated Depreciation for business-type activities was as follows:

	Balance July 1, 2009, as restated	Additions	Deletions	Balance June 30, 2010
Water				
Plant:				
Buildings and Improvements	\$ (5,119,384)	\$ (482,243)	\$ -	\$ (5,601,627)
Machinery and Equipment	(2,243,271)	(182,967)	23,406	(2,402,832)
Total	(7,362,655)	(665,210)	23,406	(8,004,459)
Net book value	\$ 13,218,670	\$ 3,104,788	\$ (3,025,306)	\$ 13,298,153
Stormwater				
Buildings and Improvements	\$ -	\$ (3,336)	\$ -	\$ (3,336)
Machinery and Equipment	(324,342)	(24,631)	-	(348,973)
Total	(324,342)	(27,967)	-	(352,309)
Net book value	\$ 166,560	\$ 883,089	\$ -	\$ 1,049,650
Wastewater				
Sewer Plant	\$ (5,170,076)	\$ (918,107)	\$ -	\$ (6,088,183)
Buildings and Improvements	(2,095,966)	(447,450)	-	(2,543,416)
Machinery and Equipment	(340,445)	(14,181)	-	(354,626)
Total	(7,606,487)	(1,379,738)	-	(8,986,225)
Net book value	\$ 31,654,541	\$ 139,491	\$ -	\$ 31,794,032
Cable Television				
Buildings and Improvements	\$ (1,572,953)	\$ (144,944)	\$ -	\$ (1,717,897)
Machinery and Equipment	(7,103,929)	(1,380,817)	-	(8,484,746)
Total	(8,676,882)	(1,525,761)	-	(10,202,643)
Net book value	\$ 6,787,889	\$ 561,879	\$ -	\$ 7,349,769
Sewer Plant	(5,170,076)	(918,107)	-	(6,088,183)
Buildings and Improvements	(8,788,303)	(1,077,973)	-	(9,866,276)
Machinery and Equipment	(10,011,987)	(1,602,596)	23,406	(11,591,177)
Total Depreciable	\$ (23,970,366)	\$ (3,598,676)	\$ 23,406	\$ (27,545,636)
Land	\$ 576,842	\$ -	\$ -	576,842
Construction in process	5,495,070	3,918,574	(5,122,780)	4,290,864
Sewer Plant	17,782,606	(645,652)	-	17,136,954
Buildings and Improvements	23,709,754	2,962,405	-	26,672,159
Machinery and Equipment	4,263,391	551,394	-	4,814,785
Total Capital Assets	\$ 51,827,663	\$ 6,786,721	\$ (5,122,780)	\$ 53,491,604

Depreciation and amortization expense for business-type activities for the year ended June 30, 2010 was as follows:

Water	\$ 665,210
Stormwater	27,967
Wastewater	461,631
Cable Television	1,525,761
Total depreciation expense	2,680,569
Wastewater - amortization	918,107
Total depreciation and amortization expense	\$ 3,598,676

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2010:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 5,618,421	\$ 1,974,314	\$ 904,210	\$ 8,496,945
Deposits	300,826	100,378	-	401,204
Accrued payroll	870,527	-	-	870,527
Total	<u>\$ 6,789,774</u>	<u>\$ 2,074,692</u>	<u>\$ 904,210</u>	<u>\$ 9,768,676</u>

These amounts resulted in the following concentrations in payables:

Vendors 87% Deposits 4% Employees 9%

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Due within one year
Governmental activities:					
2000 Certificates of Participation	\$ 8,360,000	\$ -	\$ (215,000)	\$ 8,145,000	\$ 225,000
Capital Lease Obligations	1,047,842	-	(333,219)	714,623	349,030
Compensated Absences	2,156,068	447,276	(250,079)	2,353,265	1,074,535
Liability for claims	1,843,282	-	(411,837)	1,431,445	-
Total governmental activities	<u>\$ 13,407,192</u>	<u>\$ 447,276</u>	<u>\$ (1,210,135)</u>	<u>\$ 12,644,333</u>	<u>\$ 1,648,565</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 payments are due annually on February 1 and interest payments are due semi-annually on February 1 and August 1. Interest rates range from 5.25% to 7.00%.

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.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

6. LONG-TERM LIABILITIES, Continued

Governmental activities, continued

Capital Lease Obligation

At June 30, 2010, Capital Lease Obligations consisted of the following:

	Balance as of			Balance as of
	July 1, 2009	Additions	Retirement	June 30, 2010
Governmental Activities:				
City Hall Remodel	\$ 1,047,842	\$ -	\$ 333,219	\$ 714,623
Total Governmental Activities	\$ 1,047,842	\$ -	\$ 333,219	\$ 714,623

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 June 1 and December 1 with an interest rate of 4.69%.

Compensated Absences

Compensated absences at June 30, 2010, amounted to \$2,353,265 and \$436,095 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 \$1,431,445 (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, 2010

6. LONG-TERM LIABILITIES, Continued

The annual debt service requirements to maturity for all Governmental Activity amounts, except compensated absences and claims payable, at June 30, 2010, were as follows:

Year Ending June 30,	Governmental Activities						Totals
	2000		Capital				
	Certificates of Participation		Lease Obligations				
	Principal	Interest	Principal	Interest	Principal	Interest	
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	386,357	-	-	260,000	386,357	
2015	275,000	373,617	-	-	275,000	373,617	
2016-2020	1,585,000	1,647,505	-	-	1,585,000	1,647,505	
2021-2025	2,050,000	1,189,126	-	-	2,050,000	1,189,126	
2026-2030	2,645,000	592,462	-	-	2,645,000	592,462	
2031	615,000	32,288	-	-	615,000	32,288	
Total	\$ 8,145,000	\$ 5,449,339	\$ 714,623	\$ 42,379	\$ 8,859,623	\$ 5,491,718	
Due within one year	\$ 225,000	\$ 419,988	\$ 349,031	\$ 29,470	\$ 574,031	\$ 449,458	
Due after one year	7,920,000	5,029,351	365,592	12,909	8,285,592	5,042,260	
Total	\$ 8,145,000	\$ 5,449,339	\$ 714,623	\$ 42,379	\$ 8,859,623	\$ 5,491,718	

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Due within one year
Business-type activities:					
2002 Certificates of Participation	\$ 8,685,000	\$ -	\$ (210,000)	\$ 8,475,000	\$ 215,000
Capital Lease Obligation	1,134,434	1,609,267	(496,848)	2,246,853	630,010
Compensated Absences	378,872	118,608	(61,385)	436,095	248,008
Due to City of South San Francisco:					
1993 Loan	904,354	-	(170,339)	734,015	175,449
1999 Loan	6,844,890	-	(411,584)	6,433,306	422,285
2007 Loan	6,286,643	-	(301,305)	5,985,338	308,837
Total business-type activities	24,234,193	1,727,875	(1,651,461)	24,310,607	\$ 1,999,589
Total long-term debt	\$ 24,234,193	\$ 1,727,875	\$ (1,651,461)	\$ 24,310,607	

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, 2010

6. LONG-TERM LIABILITIES, Continued

Capital Lease Obligations

At June 30, 2010, Business-type Capital Lease Obligations consisted of the following:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Business-type activities:				
Cable TV Set-top boxes	\$ 1,134,434	\$ -	\$ (359,069)	\$ 775,365
Commercial Services	-	1,609,267	(137,779)	1,471,488
Total business-type activities	<u>\$ 1,134,434</u>	<u>\$ 1,609,267</u>	<u>\$ (496,848)</u>	<u>\$ 2,246,853</u>

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%.

Commercial Services Project

On August 25, 2009, the City entered into a \$1,609,267 capital lease with Key Government Finance, Inc. to purchase servers, routers, switches, and related equipment for the Commercial Data and Voice Project. Principal and interest payments are due on the 25th of each month with an interest rate of 4.756%.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

6. LONG-TERM LIABILITIES, Continued

The annual debt service requirements to maturity for all Business-type Activity amounts, except compensated absences and claims payable, at June 30, 2010, 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
2011	\$ 215,000	\$ 405,775	\$ 630,010	\$ 110,972	\$ 906,571	\$ 338,925	\$ 1,751,581	\$ 855,672
2012	225,000	397,303	742,590	75,206	930,535	314,957	1,898,125	787,466
2013	235,000	388,215	407,040	38,355	955,135	290,357	1,597,175	716,927
2014	245,000	378,493	430,267	15,128	980,389	265,103	1,655,656	658,724
2015	255,000	368,051	36,946	171	808,844	239,178	1,100,790	607,400
2016-2020	1,445,000	1,655,320	-	-	4,365,350	874,759	5,810,350	2,530,079
2021-2025	1,820,000	1,264,130	-	-	3,758,545	302,462	5,578,545	1,566,592
2026-2031	2,335,000	745,744	-	-	447,290	11,182	2,782,290	756,926
2031-2033	1,700,000	133,506	-	-	-	-	1,700,000	133,506
Total	\$ 8,475,000	\$ 5,736,537	\$ 2,246,853	\$ 239,832	\$ 13,152,659	\$ 2,636,923	\$ 23,874,512	\$ 8,613,292
Due within one year	\$ 215,000	\$ 405,775	\$ 630,010	\$ 110,972	\$ 906,571	\$ 338,925	\$ 1,751,581	\$ 855,672
Due after one year	8,260,000	5,330,762	1,616,843	128,860	12,246,088	2,297,998	22,122,931	7,757,620
Total	\$ 8,475,000	\$ 5,736,537	\$ 2,246,853	\$ 239,832	\$ 13,152,659	\$ 2,636,923	\$ 23,874,512	\$ 8,613,292

7. CITY OF SOUTH SAN FRANCISCO SEWER PLANT AGREEMENT

The City entered into a joint-ownership agreement with the City of South San Francisco (SSF) to operate a water quality control plant and appurtenant facilities to service both communities. The agreement was entered into in January 1947 and has numerous subsequent amendments that detail various aspects in sharing the capital investment (including related debt service) and operating expenses related to the joint sewage plant. Operating costs of the enterprise are shared in accordance with a formula and division of operation and maintenance cost set forth in an agreement dated April 3, 1972. The most recent arrangement indicates that the City shares in 25.82% of the plant capacity. There are no separately issued financial statements for this agreement.

The City's share of operating expenses for 2009-10 was \$3,085,272 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 2009-10, the City paid \$1,547,567 to SSF for these improvements.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

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

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.

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital Investment:				
Financed	\$ 19,170,177	\$ -	\$ -	\$ 19,170,177
Contributed	3,782,505	272,455	-	4,054,960
Total Capital Investment	<u>22,952,682</u>	<u>272,455</u>	<u>-</u>	<u>23,225,137</u>
Accumulated Depreciation:				
Financed	(4,626,161)	(825,975)	-	(5,452,136)
Contributed	(543,915)	(92,132)	-	(636,047)
Total Capital Investment	<u>(5,170,076)</u>	<u>(918,107)</u>	<u>-</u>	<u>(6,088,183)</u>
Net Book Value:				
Financed	14,544,016	(825,975)	-	13,718,041
Contributed	3,238,590	180,323	-	3,418,913
Total Net Book Value	<u>\$ 17,782,606</u>	<u>\$ (645,652)</u>	<u>\$ -</u>	<u>\$ 17,136,954</u>

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

	SSF		SSF		
	<u>Original Loan</u>	<u>City's Share</u>	<u>Loan Balance June 30, 2010</u>	<u>City's Share</u>	<u>City's Share %</u>
1993 Capital Project State Water Resources Loan	\$ 8,842,852	\$ 2,918,141	\$ 2,224,287	\$ 734,015	33%
1999 Capital Project State Water Resources Loan	50,553,782	9,104,859	35,720,264	6,433,305	18%
2007 Capital Project State Water Resources Loan	21,856,810	7,147,177	18,303,788	5,985,339	33%
Total	<u>\$ 81,253,444</u>	<u>\$ 19,170,177</u>	<u>\$ 56,248,339</u>	<u>\$ 13,152,659</u>	

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

8. DEFICIT NET ASSETS/FUND BALANCES

Deficit net assets balances consisted of the following:

Governmental Activities

Major Funds:

Redevelopment Agency Capital Projects Fund (\$1,796,282) to be funded through future property tax increment.

Nonmajor Funds:

Safety Augmentation Special Revenue Fund (\$752) will be eliminated through future intergovernmental revenues.

Federal/State Grants Special Revenue Fund (\$21,610) will be funded through future revenue on cost-reimbursement grants.

Business-type Activities

Cable Television Enterprise Fund had an unrestricted net assets deficit in the amount of (\$3,012,111) to be eliminated through future service charges.

9. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

Non-major Funds:

Restricted Donations Special Revenue Fund (\$27,102), which was covered by current year revenues and existing fund balance.

Agency on Aging Fund (\$109,314), which was covered by current year revenues and existing fund balance.

Police Special Revenue Fund (\$4,841), which was covered by current year revenues and existing fund balance.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

10. INTERFUND TRANSACTIONS

Due to/from other funds

Due to and due from other funds consisted of the following as of June 30, 2010:

	Due from Other Funds	Due to Other Funds
<u>Major Funds:</u>		
<u>Governmental Activities</u>		
General Fund	\$ 2,493,223	\$ -
<u>Business-type Activities</u>		
Cable TV	-	2,447,971
<u>Nonmajor Funds:</u>		
<u>Governmental Activities</u>		
Area Agency on Aging	-	12,820
Police Special Revenue	-	10,070
Federal/State Grants	-	21,610
Safety Augmentation	-	752
Total	\$ 2,493,223	\$ 2,493,223

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 Equipment Reserve Internal Service Fund has 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.

	Advance to Other Funds	Advance from Other Funds
<u>Major Funds:</u>		
<u>Governmental Activities</u>		
Redevelopment Agency Special Revenue Fund	\$ -	\$ 1,060,300
Redevelopment Agency Capital Projects Fund	-	1,916,733
<u>Nonmajor Funds:</u>		
<u>Governmental Activities</u>		
General Equipment Revolving Internal Service Fund	2,977,033	-
Total	\$ 2,977,033	\$ 2,977,033

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

10. INTERFUND TRANSACTIONS, Continued

Transfers In/Out other funds

Transfers consisted of the following at June 30, 2010:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	
General Fund	RDA Special Revenue	\$ 300,000	e
	Non-major governmental funds	241,663	e
		<u>541,663</u>	
RDA Special Revenue	RDA Capital Projects	815,000	e
	RDA Debt Service	647,436	e
	Non-major governmental funds	50,000	b
		<u>1,512,436</u>	
RDA Capital Projects	Street Improvement Capital Projects	435,000	e
	Non-major governmental funds	280,000	e
		<u>715,000</u>	
Measure A Transportation Tax	Street Improvement Capital Projects	<u>1,058,875</u>	e
Non-major governmental funds	General Fund	336,776	b
	Street Improvement Capital Projects	469,127	e
	Non-major governmental funds	534,279	b
		<u>1,340,182</u>	
Internal Service Funds	General Fund	250,000	c
	Cable TV Fund	93,482	b
		<u>343,482</u>	
		<u>\$ 5,511,638</u>	

Interfund transfers were principally used for the following purposes:

- (a) Administrative Salaries & Overhead
- (b) Reimburse Program Expenditure
- (c) Reimburse Equipment Replacement Expenditure
- (d) Reimburse Debt Service Expenditure
- (e) Capital Project Funding

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

10. INTERFUND TRANSACTIONS, Continued

Transfers In/Out other funds

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

Redevelopment Agency transfers consisted of amounts to General and Streets Capital for El Camino Real Phase 1 Median and Pedestrian Improvement, Street Median and Grand Boulevard Improvements, Caltrain Grade Separation project and creation of accessible pedestrian ramps at several locations citywide. In addition to funding capital projects, approximately \$647,000 was transferred to a debt service fund for financing the police facility near Tanforan. A transfer in from One-Time Revenue to Redevelopment Operating was used for El Camino Real Commercial Project tenant improvements.

Transfers out from General Fund Reserves, One-Time Revenue Fund and General Equipment Reserve Fund were primarily used to support the General Fund as a deficit reduction strategy.

The Library Special Revenue Fund transfer out to the General Fund was to support expenditures in the General Fund for library services. Revenues deposited in this fund come from the California State Library for resource sharing and inter-library loan cooperation.

Measure A Transportation and Gas Tax transfers funded Street Improvement Capital Projects. Several major projects receiving these funds were the Street Rehabilitation, Streetlight Replacement and Neighborhood Traffic Calming Programs.

One-Time Revenue, Library Special Revenue, Park In-Lieu, Restricted Donations, Technology Development, Redevelopment Operating and Capital transfers out were transferred to the General Capital Projects and Cable Capital Fund for various projects funded by revenues collected in these funds. In addition to the projects mentioned above, other major projects identified in the capital budget were replacement of an underground diesel fuel storage tank, install synthetic grass surface at Lions Field, renovate Catalpa Tot Lot and repave the existing basketball court.

11. RISK MANAGEMENT

The City participates in the Association of Bay Area Government Plan Corporation (ABAG Plan), a non-profit benefit corporation established to provide liability insurance coverage, claims, risk management, and legal defense to its participating members. The ABAG Plan provides \$5,000,000 of general liability and automobile coverage, \$20,000,000 excess liability coverage per occurrence, \$25,000,000 of catastrophic liability coverage, and is responsible for paying the claims in excess of the City's \$100,000 self-insurance retention. ABAG Plan also provides for property coverage up to \$1 billion per occurrence subject to lower categorical sub-limits in excess of the City's self-insurance retention of \$5,000 for property and vehicle loss.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

11. RISK MANAGEMENT, Continued

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, 2010.

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments for Current and Prior Years</u>	<u>End of Year Liability</u>
2008-2009	\$ 1,345,147	\$ 1,388,318	\$ (890,183)	\$ 1,843,282
2009-2010	1,843,282	649,227	(1,061,063)	1,431,446

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

All permanent City employees are eligible to participate in pension plans offered by California Public Employees' Retirement System (CALPERS). The miscellaneous employees of the City are part of an agent multiple-employer defined benefit pension plan. The safety employees are part of a cost-sharing multiple-employer defined benefit plan. CALPERS acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited services, equal to one year of full time employment. 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 14.708% for miscellaneous employees, and 30.968% 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 \$4,418,997 for CALPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2007 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%.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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
	Safety	Miscellaneous		
June 30, 2008	\$ 2,706,945	\$ 1,493,210	100%	-
June 30, 2009	2,923,174	1,542,127	100%	-
June 30, 2010	3,011,105	1,407,892	100%	-

Funded Status

The information below is the most recent information available from CALPERS for the miscellaneous group.

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, 2007	\$ 66,778,802	\$ 58,767,880	\$ 8,010,922	88.00%	\$ 11,019,013	72.70%
June 30, 2008	73,892,565	63,208,726	10,683,839	85.50%	11,779,042	90.70%
June 30, 2009	81,938,381	66,592,530	15,345,851	81.30%	12,051,504	127.33%

As of the actuarial date of June 30, 2003, the City's public safety plan became part of a CALPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple employer defined benefit plan, disclosure of the schedule of funding progress is not required.

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, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	108
Other participants fully eligible for benefits	36
Other participants not yet fully eligible for benefits	198
Total	342

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

13. POST-EMPLOYMENT HEALTHCARE PLAN, Continued

City's Funding Policy: The Teamsters Local #856 Health and Welfare Trust Fund determine the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2009-10, 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.

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	-
Adjustment to annual required contribution	<u>(38,400)</u>
Annual OPEB cost (expense)	2,744,300
Contributions made (including premiums paid)	<u>(845,600)</u>
Increase in net OPEB obligation	1,898,700
Net OPEB obligation-beginning of year	2,040,700
Net OPEB obligation-end of year	\$3,939,400

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	N / A	N / A	N / A
6/30/09	\$2,780,700	26.6%	\$2,040,700
6/30/10	\$2,744,300	30.8%	\$3,939,400

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

13. POST-EMPLOYMENT HEALTHCARE PLAN, Continued

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$41,558,300
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$41,558,300
Funded ratio (actuarial value of plan Assets/AAL)	0%
Covered payroll (active plan members)	\$21,169,200
UAAL as a percentage of covered payroll	196%

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 4 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, 2010, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

City of San Bruno, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

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.

16. SUBSEQUENT EVENTS

On September 9, 2010 a PG&E gas line explosion occurred in a residential area of the City known as the Glenview area. The incident immediately erupted into a major fire that destroyed 34 homes, caused major damage to 21 homes, and minor damage to many other homes in the area. The City sustained significant damage to its street, water, wastewater, stormwater, and cable television/internet infrastructure in the area. In addition, the fire destroyed a city park and burned vegetation and a retaining wall in Crestmoor Canyon, creating slope stabilization concerns in the area. The Governor declared a State of Emergency on September 10, 2010 making the City eligible for reimbursement of its costs through the Federal Management Assistance Grant program and the California Disaster Assistance Act program. The National Transportation Safety Board and California Public Utilities Commission investigation into the cause of the explosion remains ongoing.

17. PRIOR PERIOD ADJUSTMENT

The net assets and fund balance of the Cable Television fund has decreased by \$1,325,637 to correct the depreciable life of capital assets.

	Business-Type Activities	
	Cable Television Fund	
Fund Balance at June 30, 2009	\$	4,554,142
Restatement due to change in depreciable life of capital assets		<u>(1,325,637)</u>
Fund Balance at June 30, 2009, as restated	\$	<u>3,228,505</u>

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REQUIRED SUPPLEMENTARY INFORMATION

City of San Bruno, California

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

Budget to Actual - General Fund

For the year ended June 30, 2010

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes	\$ 15,524,480	\$ 15,330,527	\$ 16,758,077	\$ 1,427,550
Licenses and permits	2,393,500	1,864,000	1,959,326	95,326
Intergovernmental	3,432,370	3,457,370	3,350,849	(106,521)
Charges for services	2,953,853	3,597,771	3,319,982	(277,789)
Fines and forfeitures	578,000	648,600	758,680	110,080
Use of money and property	2,121,503	2,066,503	1,779,590	(286,913)
Other revenues	3,842,926	3,745,908	4,711,368	965,460
Total revenues	<u>30,846,632</u>	<u>30,710,679</u>	<u>32,637,872</u>	<u>1,927,193</u>
EXPENDITURES:				
Current:				
General government	3,497,838	3,382,201	3,424,030	(41,829)
Public safety	21,000,491	20,998,501	19,730,618	1,267,883
Public works	1,175,838	1,174,073	723,479	450,594
Highways and streets	1,520,843	1,519,568	1,350,295	169,273
Parks and recreation	4,688,340	4,663,486	4,177,844	485,642
Library	1,920,059	1,917,781	1,740,437	177,344
Community development	1,623,528	1,621,819	1,004,153	617,666
Total expenditures	<u>35,426,937</u>	<u>35,277,429</u>	<u>32,150,856</u>	<u>3,126,573</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,580,305)</u>	<u>(4,566,750)</u>	<u>487,016</u>	<u>5,053,766</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	950,800	586,776	(364,024)
Transfers out	-	-	(541,663)	(541,663)
Total other financing sources (uses)	<u>-</u>	<u>950,800</u>	<u>45,113</u>	<u>(905,687)</u>
Net change in fund balances	<u>(4,580,305)</u>	<u>(3,615,950)</u>	<u>532,129</u>	<u>4,148,079</u>
FUND BALANCES:				
Beginning of year	<u>7,712,744</u>	<u>7,712,744</u>	<u>7,712,744</u>	<u>-</u>
End of year	<u>\$ 3,132,439</u>	<u>\$ 4,096,794</u>	<u>\$ 8,244,873</u>	<u>\$ 4,148,079</u>

City of San Bruno, California

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

Budget to Actual - Redevelopment Special Revenue Fund

For the year ended June 30, 2010

	Redevelopment Agency Special Revenue			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes	\$ 8,754,432	\$ 8,754,432	\$ 9,308,063	\$ 553,631
Use of money and property	-	-	73,057	73,057
Total revenues	<u>8,754,432</u>	<u>8,754,432</u>	<u>9,381,120</u>	<u>626,688</u>
EXPENDITURES:				
Current:				
Community development	7,183,983	9,985,018	7,965,176	2,019,842
Debt service:				
Interest and fiscal charges	-	-	200,004	(200,004)
Total expenditures	<u>7,183,983</u>	<u>9,985,018</u>	<u>8,165,180</u>	<u>1,819,838</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,570,449</u>	<u>(1,230,586)</u>	<u>1,215,940</u>	<u>2,446,526</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	300,000	300,000
Transfers out	-	-	(1,512,436)	(1,512,436)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,212,436)</u>	<u>(1,212,436)</u>
Net change in fund balances	1,570,449	(1,230,586)	3,504	1,234,090
FUND BALANCES:				
Beginning of year	<u>3,977,423</u>	<u>3,977,423</u>	<u>3,977,423</u>	-
End of year	<u>\$ 5,547,872</u>	<u>\$ 2,746,837</u>	<u>\$ 3,980,927</u>	<u>\$ 1,234,090</u>

City of San Bruno, California

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

Budget to Actual - Measure A

For the year ended June 30, 2010

	Measure A Transportation Tax			
	Original Budget	Amended Budget	Actual	Variance w/Amended Positive (Negative)
REVENUES:				
Taxes	\$ 700,000	\$ 700,000	\$ 654,511	\$ (45,489)
Use of money and property	-	-	7,585	7,585
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>662,096</u>	<u>(37,904)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(358,875)</u>	<u>(358,875)</u>	<u>662,096</u>	<u>1,020,971</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,058,875)</u>	<u>(1,058,875)</u>	<u>(1,058,875)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,058,875)</u>	<u>(1,058,875)</u>	<u>(1,058,875)</u>	<u>-</u>
Net change in fund balances	<u>(1,417,750)</u>	<u>(1,417,750)</u>	<u>(396,779)</u>	<u>1,020,971</u>
FUND BALANCES:				
Beginning of year	<u>637,556</u>	<u>637,556</u>	<u>637,556</u>	<u>-</u>
End of year	<u>\$ (780,194)</u>	<u>\$ (780,194)</u>	<u>\$ 240,777</u>	<u>\$ 1,020,971</u>

City of San Bruno, California
Notes to Required Supplementary Information
For the year ended June 30, 2010

1. BUDGETARY INFORMATION

The City adopts a budget annually to be effective July 1. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the one year period and cannot legally be exceeded except by subsequent amendments of the budget by the City Council.

An operating budget is adopted every year for the General, Special Revenue, Enterprise Funds, and Capital Improvement Program Budget. Public hearings are conducted on the proposed budgets to review all appropriations and sources of financing. Capital projects are budgeted by the City over the term of the individual projects.

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the Combined Statement of Revenues, Expenditures and Other Financing Sources (Uses) – Budget and Actual include budget amendments approved by the Agency Board.

The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the City Manager. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council. Supplemental appropriations financed by unanticipated revenues during the year must be approved by the City Council.

Formal budgetary integration is employed as a management control device. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute GAAP basis expenditures or liabilities because the commitments will be honored during the subsequent year. The commitments will be reappropriated and honored in the subsequent year.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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City of San Bruno, California
Major Fund - Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 531	\$ 531
Total revenues	<u>-</u>	<u>-</u>	<u>531</u>	<u>531</u>
EXPENDITURES:				
Current:				
Community development	215,000	215,000	9,021	205,979
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>9,021</u>	<u>205,979</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(215,000)</u>	<u>(215,000)</u>	<u>(8,490)</u>	<u>206,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	565,000	815,000	815,000	-
Transfers out	(185,000)	(715,000)	(715,000)	-
Total other financing sources (uses)	<u>380,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>165,000</u>	<u>(115,000)</u>	<u>91,510</u>	<u>206,510</u>
FUND BALANCES:				
Beginning of year	(1,887,792)	(1,887,792)	(1,887,792)	-
End of year	<u>\$ (1,722,792)</u>	<u>\$ (2,002,792)</u>	<u>\$ (1,796,282)</u>	<u>\$ 206,510</u>

City of San Bruno, California
Major Fund - Redevelopment Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 733	\$ 733
Total revenues	<u>-</u>	<u>-</u>	<u>733</u>	<u>733</u>
EXPENDITURES:				
Debt service:				
Principal	215,000	215,000	215,000	-
Interest	432,700	432,700	432,178	522
Total expenditures	<u>647,700</u>	<u>647,700</u>	<u>647,178</u>	<u>522</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(647,700)</u>	<u>(647,700)</u>	<u>(646,445)</u>	<u>1,255</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	647,436	647,436
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>647,436</u>	<u>647,436</u>
Net change in fund balances	<u>(647,700)</u>	<u>(647,700)</u>	<u>991</u>	<u>648,691</u>
FUND BALANCES:				
Beginning of year	805,661	805,661	805,661	-
End of year	<u>\$ 157,961</u>	<u>\$ 157,961</u>	<u>\$ 806,652</u>	<u>\$ 648,691</u>

City of San Bruno, California
Major Fund - Street Improvements Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 790,385	\$ 790,385
Investment income	-	-	16,407	16,407
Other revenues	30,000	30,000	21,497	(8,503)
Total revenues	30,000	30,000	828,289	798,289
EXPENDITURES:				
Current:				
Highways and streets	3,820,245	4,135,010	1,605,083	2,529,927
Total expenditures	3,820,245	4,135,010	1,605,083	2,529,927
REVENUES OVER (UNDER)				
EXPENDITURES	(3,790,245)	(4,105,010)	(776,794)	3,328,216
OTHER FINANCING SOURCES (USES):				
Transfers in	3,053,602	3,303,602	1,963,002	(1,340,600)
Total other financing sources (uses)	3,053,602	3,303,602	1,963,002	(1,340,600)
Net change in fund balances	(736,643)	(801,408)	1,186,208	1,987,616
FUND BALANCES:				
Beginning of year	191,352	191,352	191,352	-
End of year	\$ (545,291)	\$ (610,056)	\$ 1,377,560	\$ 1,987,616

City of San Bruno, California

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Special Revenue Funds				
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax	Library Special Revenue
ASSETS					
Cash and investments	\$ 4,164,545	\$ -	\$ -	\$ 368,741	\$ 631,596
Receivables:					
Taxes	-	-	-	127,072	-
Intergovernmental subventions	-	-	-	-	16,281
Intergovernmental grants	-	27,170	-	-	-
Service charges	-	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 4,164,545</u>	<u>\$ 27,170</u>	<u>\$ -</u>	<u>\$ 495,813</u>	<u>\$ 647,877</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 4,913	\$ -	\$ -	\$ -
Due to other funds	-	12,820	21,610	-	-
Total liabilities	<u>-</u>	<u>17,733</u>	<u>21,610</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	4,164,545	9,437	(21,610)	495,813	647,877
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total fund balances (deficits)	<u>4,164,545</u>	<u>9,437</u>	<u>(21,610)</u>	<u>495,813</u>	<u>647,877</u>
Total liabilities and fund balances	<u>\$ 4,164,545</u>	<u>\$ 27,170</u>	<u>\$ -</u>	<u>\$ 495,813</u>	<u>\$ 647,877</u>

Special Revenue Funds			
Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ 69,076	\$ -	\$ -	\$ 141,294
-	-	-	-
314	-	-	5,392
-	-	13,292	-
-	-	-	-
-	-	-	-
<u>\$ 69,390</u>	<u>\$ -</u>	<u>\$ 13,292</u>	<u>\$ 146,686</u>
\$ -	\$ -	\$ -	\$ 4,386
-	752	10,070	-
-	752	10,070	4,386
-	-	-	4,044
69,390	(752)	3,222	138,256
-	-	-	-
-	-	-	-
<u>69,390</u>	<u>(752)</u>	<u>3,222</u>	<u>142,300</u>
<u>\$ 69,390</u>	<u>\$ -</u>	<u>\$ 13,292</u>	<u>\$ 146,686</u>

(continued)

City of San Bruno, California

Combining Balance Sheet

Nonmajor Governmental Funds, Continued

June 30, 2010

(with comparative totals for June 30, 2009)

	Special Revenue Funds			
	Restricted Donations	Streets	Traffic Safety	Total
ASSETS				
Cash and investments	\$ 691,290	\$ 302,466	\$ 56,223	\$ 6,425,231
Receivables:				
Taxes	-	-	-	127,072
Intergovernmental subventions	-	-	-	21,987
Intergovernmental grants	-	-	4,550	45,012
Service charges	-	-	-	-
Other	57	-	-	57
Total assets	<u>\$ 691,347</u>	<u>\$ 302,466</u>	<u>\$ 60,773</u>	<u>\$ 6,619,359</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 755	\$ -	\$ -	\$ 10,054
Due to other funds	-	-	-	45,252
Total liabilities	<u>755</u>	<u>-</u>	<u>-</u>	<u>55,306</u>
Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	4,044
Unreserved (deficit), reported in:				
Special revenue funds	690,592	302,466	60,773	6,560,009
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balances (deficits)	<u>690,592</u>	<u>302,466</u>	<u>60,773</u>	<u>6,564,053</u>
Total liabilities and fund balances	<u>\$ 691,347</u>	<u>\$ 302,466</u>	<u>\$ 60,773</u>	<u>\$ 6,619,359</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2010	2009
\$	705,858	\$	-	\$ 7,131,089	\$ 6,531,861
	-		-	127,072	88,288
	-		-	21,987	1,234
	-		-	45,012	311,477
	-		-	-	14,318
	-		-	57	215
<u>\$</u>	<u>705,858</u>	<u>\$</u>	<u>-</u>	<u>\$ 7,325,217</u>	<u>\$ 6,947,393</u>
\$	122,176	\$	-	\$ 132,230	\$ 76,696
	-		-	45,252	1,230
	122,176		-	177,482	77,926
	225,261		-	229,305	240,980
	-		-	6,560,009	5,853,895
	358,421		-	358,421	774,589
	-		-	-	3
	583,682		-	7,147,735	6,869,467
<u>\$</u>	<u>705,858</u>	<u>\$</u>	<u>-</u>	<u>\$ 7,325,217</u>	<u>\$ 6,947,393</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, 2010

(with comparative totals for the year ended June 30, 2009)

	Special Revenue Funds					
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax	Library Special Revenue	Police Asset Seizure
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 1,142,924	\$ -	\$ -
Licenses and permits	8,393	-	-	-	-	-
Intergovernmental	-	122,594	-	-	69,802	-
Fines and forfeitures	-	-	-	-	-	4,541
Investment income (loss)	31,445	233	-	5,144	6,764	664
Other revenues	679,100	-	-	-	-	-
Total revenues	718,938	122,827	-	1,148,068	76,566	5,205
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	18,095	-	-	864
Public works	-	-	-	-	-	-
Highways and streets	-	-	-	969,064	-	-
Parks and recreation	-	120,701	-	-	-	-
Library	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	120,701	18,095	969,064	-	864
REVENUES OVER (UNDER) EXPENDITURES	718,938	2,126	(18,095)	179,004	76,566	4,341
OTHER FINANCING SOURCES (USES):						
Transfers in	228,157	-	-	-	-	-
Transfers out	(250,000)	-	-	(469,127)	(145,000)	-
Total other financing sources and uses	(21,843)	-	-	(469,127)	(145,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	697,095	2,126	(18,095)	(290,123)	(68,434)	4,341
FUND BALANCES:						
Beginning of year	3,467,450	7,311	(3,515)	785,936	716,311	65,049
End of year	\$ 4,164,545	\$ 9,437	\$ (21,610)	\$ 495,813	\$ 647,877	\$ 69,390

Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ -	\$ -	\$ -
-	-	-
83,670	101,031	68,114
-	-	-
292	393	1,415
-	8,063	-
83,962	109,487	69,529
-	-	-
-	4,841	-
-	-	71,659
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	4,841	71,659
83,962	104,646	(2,130)
-	-	-
(83,670)	(138,106)	-
(83,670)	(138,106)	-
292	(33,460)	(2,130)
(1,044)	36,682	144,430
\$ (752)	\$ 3,222	\$ 142,300

(continued)

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, 2010

(with comparative totals for the year ended June 30, 2009)

	Special Revenue Funds			
	Restricted Donations	Streets	Traffic Safety	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,142,924
Licenses and permits	69,249	-	-	77,642
Intergovernmental	-	-	76,815	522,026
Fines and forfeitures	-	-	-	4,541
Investment income (loss)	6,686	2,466	509	56,011
Other revenues	41,261	300,000	-	1,028,424
Total revenues	117,196	302,466	77,324	2,831,568
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	37,566	61,366
Public works	-	-	-	71,659
Highways and streets	-	-	-	969,064
Parks and recreation	20,615	-	-	141,316
Library	12,487	-	-	12,487
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	33,102	-	37,566	1,255,892
REVENUES OVER (UNDER) EXPENDITURES	84,094	302,466	39,758	1,575,676
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	228,157
Transfers out	(26,122)	-	-	(1,112,025)
Total other financing sources and uses	(26,122)	-	-	(883,868)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	57,972	302,466	39,758	691,808
FUND BALANCES:				
Beginning of year	632,620	-	21,015	5,872,245
End of year	\$ 690,592	\$ 302,466	\$ 60,773	\$ 6,564,053

Capital Projects Funds	Debt Service	Non-major funds	
		Totals	
General	General	2010	2009
\$ -	\$ -	\$ 1,142,924	\$ 1,100,644
-	-	77,642	1,631,494
-	-	522,026	480,197
-	-	4,541	53,541
5,046	-	61,057	(102,589)
11,890	378,498	1,418,812	814,840
16,936	378,498	3,227,002	3,978,127
8,622	-	8,622	-
-	-	61,366	-
-	-	71,659	53,496
-	-	969,064	717,996
-	-	141,316	66,970
-	-	12,487	71,256
-	-	-	614,039
1,071,479	-	1,071,479	696,590
-	333,219	333,219	318,124
-	45,282	45,282	60,377
1,080,101	378,501	2,714,494	2,598,848
(1,063,165)	(3)	512,508	1,379,279
877,785	-	1,105,942	920,303
(228,157)	-	(1,340,182)	(286,335)
649,628	-	(234,240)	633,968
(413,537)	(3)	278,268	2,013,247
997,219	3	6,869,467	4,856,220
\$ 583,682	\$ -	\$ 7,147,735	\$ 6,869,467

(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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Licenses and permits	\$ 1,180,938	\$ 8,393	\$ (1,172,545)
Investment income	-	31,445	31,445
Other revenues		679,100	679,100
Total revenues	1,180,938	718,938	(462,000)
EXPENDITURES:			
Current:			
Community development	140,000	-	140,000
Total expenditures	140,000	-	140,000
REVENUES OVER (UNDER)			
EXPENDITURES	1,040,938	718,938	(322,000)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	228,157	228,157
Transfers out	(250,000)	(250,000)	-
Total other financing sources (uses)	(250,000)	(21,843)	228,157
Net change in fund balances	790,938	697,095	(93,843)
FUND BALANCES:			
Beginning of year	3,467,450	3,467,450	-
End of year	\$ 4,258,388	\$ 4,164,545	\$ (93,843)

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 11,387	\$ 122,594	\$ 111,207
Investment income	-	233	233
Total revenues	<u>11,387</u>	<u>122,827</u>	<u>111,440</u>
EXPENDITURES:			
Current:			
Parks and recreation	11,387	120,701	(109,314)
Total expenditures	<u>11,387</u>	<u>120,701</u>	<u>(109,314)</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>-</u>	<u>2,126</u>	<u>2,126</u>
Net change in fund balances	-	2,126	2,126
FUND BALANCES:			
Beginning of year	7,311	7,311	-
End of year	<u>\$ 7,311</u>	<u>\$ 9,437</u>	<u>\$ 2,126</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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Taxes	\$ 1,210,929	\$ 1,142,924	\$ (68,005)
Investment income	-	5,144	5,144
Total revenues	1,210,929	1,148,068	(62,861)
EXPENDITURES:			
Current:			
Highways and streets	1,033,168	969,064	64,104
Total expenditures	1,033,168	969,064	64,104
REVENUES OVER (UNDER)			
EXPENDITURES	177,761	179,004	1,243
OTHER FINANCING SOURCES (USES):			
Transfers out	(469,127)	(469,127)	-
Total other financing sources (uses)	(469,127)	(469,127)	-
Net change in fund balances	(291,366)	(290,123)	1,243
FUND BALANCES:			
Beginning of year	785,936	785,936	-
End of year	\$ 494,570	\$ 495,813	\$ 1,243

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 60,460	\$ 69,802	\$ 9,342
Investment income	-	6,764	6,764
Total revenues	60,460	76,566	16,106
REVENUES OVER (UNDER)			
EXPENDITURES	60,460	76,566	16,106
OTHER FINANCING SOURCES (USES):			
Transfers out	(145,000)	(145,000)	-
Total other financing sources (uses)	(145,000)	(145,000)	-
Net change in fund balances	(84,540)	(68,434)	16,106
FUND BALANCES:			
Beginning of year	716,311	716,311	-
End of year	\$ 631,771	\$ 647,877	\$ 16,106

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 83,670	\$ 83,670
Investment income	-	292	292
Total revenues	-	83,962	83,962
REVENUES OVER (UNDER)			
EXPENDITURES	-	83,962	83,962
OTHER FINANCING SOURCES (USES):			
Transfers out	(86,000)	(83,670)	2,330
Total other financing sources (uses)	(86,000)	(83,670)	2,330
Net change in fund balances	(86,000)	292	86,292
FUND BALANCES:			
Beginning of year	(1,044)	(1,044)	-
End of year	<u>\$ (87,044)</u>	<u>\$ (752)</u>	<u>\$ 86,292</u>

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 101,031	\$ 101,031
Investment income	-	393	393
Other revenues	-	8,063	8,063
Total revenues	-	109,487	109,487
EXPENDITURES:			
Current:			
Public safety	-	4,841	(4,841)
Total expenditures	-	4,841	(4,841)
REVENUES OVER (UNDER) EXPENDITURES	-	104,646	104,646
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(138,106)	(38,106)
Total other financing sources (uses)	(100,000)	(138,106)	(38,106)
Net change in fund balances	(100,000)	(33,460)	66,540
FUND BALANCES:			
Beginning of year	36,682	36,682	-
End of year	\$ (63,318)	\$ 3,222	\$ 66,540

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 74,016	\$ 68,114	\$ (5,902)
Investment income	-	1,415	1,415
Total revenues	<u>74,016</u>	<u>69,529</u>	<u>(4,487)</u>
EXPENDITURES:			
Current:			
Public works	105,756	71,659	34,097
Total expenditures	<u>105,756</u>	<u>71,659</u>	<u>34,097</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(31,740)</u>	<u>(2,130)</u>	<u>29,610</u>
Net change in fund balances	(31,740)	(2,130)	29,610
FUND BALANCES:			
Beginning of year	144,430	144,430	-
End of year	<u>\$ 112,690</u>	<u>\$ 142,300</u>	<u>\$ 29,610</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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Licenses and permits	\$ -	\$ 69,249	\$ 69,249
Investment income	-	6,686	6,686
Other revenues	-	41,261	41,261
Total revenues	-	117,196	117,196
EXPENDITURES:			
Current:			
Parks and recreation	-	20,615	(20,615)
Library	6,000	12,487	(6,487)
Total expenditures	6,000	33,102	(27,102)
REVENUES OVER (UNDER)			
EXPENDITURES	(6,000)	84,094	90,094
OTHER FINANCING SOURCES (USES):			
Transfers out	-	(26,122)	(26,122)
Total other financing sources (uses)	-	(26,122)	(26,122)
Net change in fund balances	(6,000)	57,972	63,972
FUND BALANCES:			
Beginning of year	632,620	632,620	-
End of year	\$ 626,620	\$ 690,592	\$ 63,972

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, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 76,815	\$ 76,815
Investment income	-	509	509
Total revenues	-	77,324	77,324
EXPENDITURES:			
Current:			
Public safety	80,900	37,566	43,334
Total expenditures	80,900	37,566	43,334
REVENUES OVER (UNDER) EXPENDITURES	(80,900)	39,758	120,658
Net change in fund balances	(80,900)	39,758	120,658
FUND BALANCES:			
Beginning of year	21,015	21,015	-
End of year	<u>\$ (59,885)</u>	<u>\$ 60,773</u>	<u>\$ 120,658</u>

City of San Bruno, California
Capital Projects Fund - General
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ -	\$ 5,046	\$ 5,046
Other revenues	-	11,890	11,890
Total revenues	-	16,936	16,936
EXPENDITURES:			
Current:			
General government	289,079	8,622	280,457
Capital outlay	3,587,643	1,071,479	2,516,164
Total expenditures	3,876,722	1,080,101	2,796,621
REVENUES OVER (UNDER)			
EXPENDITURES	(3,876,722)	(1,063,165)	2,813,557
OTHER FINANCING SOURCES (USES):			
Transfers in	1,755,267	877,785	(877,482)
Transfers out	-	(228,157)	(228,157)
Total other financing sources (uses)	1,755,267	649,628	(1,105,639)
Net change in fund balances	(2,121,455)	(413,537)	1,707,918
FUND BALANCES:			
Beginning of year	997,219	997,219	-
End of year	\$ (1,124,236)	\$ 583,682	\$ 1,707,918

City of San Bruno, California
Debt Service Fund - General
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual
For the year ended June 30, 2010

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Other revenues	\$ 378,501	\$ 378,498	\$ (3)
Total revenues	<u>378,501</u>	<u>378,498</u>	<u>(3)</u>
EXPENDITURES:			
Debt service:			
Principal	333,219	333,219	-
Interest	45,282	45,282	-
Total expenditures	<u>378,501</u>	<u>378,501</u>	<u>-</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>-</u>	<u>(3)</u>	<u>(3)</u>
Net change in fund balances	-	(3)	(3)
FUND BALANCES:			
Beginning of year	3	3	-
End of year	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (3)</u>

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City of San Bruno, California

Statement of Fund Net Assets

Internal Service Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Central Garage	Self- Insurance	General Equipment Revolving	Technology Development
ASSETS				
Current assets:				
Cash and investments	\$ 324,489	\$ 1,849,173	\$ 2,953,159	\$ 535,950
Cash and investments held by trustees	-	91,119	-	-
Accounts receivable	-	-	-	1,710
Total current assets	<u>324,489</u>	<u>1,940,292</u>	<u>2,953,159</u>	<u>537,660</u>
Noncurrent assets:				
Advances to Redevelopment Agency	-	-	2,977,033	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,977,033</u>	<u>-</u>
Total assets	<u>\$ 324,489</u>	<u>\$ 1,940,292</u>	<u>\$ 5,930,192</u>	<u>\$ 537,660</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 13,878	\$ 29,600	\$ -	\$ 4,931
Compensated absences	29,795	-	-	-
Total current liabilities	<u>43,673</u>	<u>29,600</u>	<u>-</u>	<u>4,931</u>
Noncurrent liabilities:				
Compensated absences	10,672	-	-	31,411
Liability for claims	-	1,431,446	-	-
Total noncurrent liabilities	<u>10,672</u>	<u>1,431,446</u>	<u>-</u>	<u>31,411</u>
Total liabilities	<u>54,345</u>	<u>1,461,046</u>	<u>-</u>	<u>36,342</u>
Net Assets:				
Unrestricted net assets	270,144	479,246	5,930,192	501,318
Total net assets	<u>270,144</u>	<u>479,246</u>	<u>5,930,192</u>	<u>501,318</u>
Total liabilities and net assets	<u>\$ 324,489</u>	<u>\$ 1,940,292</u>	<u>\$ 5,930,192</u>	<u>\$ 537,660</u>

Facilities Maintenance	Totals	
	2010	2009
\$ 757,525	\$ 6,420,296	\$ 6,321,416
-	91,119	91,118
-	1,710	-
<u>757,525</u>	<u>6,513,125</u>	<u>6,412,534</u>
-	2,977,033	3,227,033
-	2,977,033	3,227,033
<u>\$ 757,525</u>	<u>\$ 9,490,158</u>	<u>\$ 9,639,567</u>
\$ 20,412	\$ 68,821	\$ 171,824
69,627	99,422	97,224
<u>90,039</u>	<u>168,243</u>	<u>269,048</u>
3,203	45,286	36,230
-	1,431,446	1,843,282
<u>3,203</u>	<u>1,476,732</u>	<u>1,879,512</u>
<u>93,242</u>	<u>1,644,975</u>	<u>2,148,560</u>
664,283	7,845,183	7,491,007
<u>664,283</u>	<u>7,845,183</u>	<u>7,491,007</u>
<u>\$ 757,525</u>	<u>\$ 9,490,158</u>	<u>\$ 9,639,567</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, 2010

(with comparative totals for the year ended June 30, 2009)

	Central Garage	Self- Insurance	General Equipment Revolving	Technology Development
OPERATING REVENUES:				
Charges for services	\$ 676,356	\$ -	\$ 439,680	\$ 548,046
Insurance cost allocation	-	1,578,156	-	-
Total operating revenues	676,356	1,578,156	439,680	548,046
OPERATING EXPENSES:				
Central garage	678,168	-	-	-
Insurance premiums, claims and administration	-	1,251,307	-	-
Equipment	-	-	177,236	-
Technology	-	-	-	480,194
Facilities	-	-	-	-
Total operating expenses	678,168	1,251,307	177,236	480,194
OPERATING INCOME (LOSS)	(1,812)	326,849	262,444	67,852
NONOPERATING REVENUE (EXPENSE)				
Transfer (to) other funds	-	-	(250,000)	(93,482)
Total non-operating revenue (expense)	-	-	(250,000)	(93,482)
CHANGE IN NET ASSETS	(1,812)	326,849	12,444	(25,630)
NET ASSETS:				
Beginning of year	271,956	152,397	5,917,748	526,948
End of year	<u>\$ 270,144</u>	<u>\$ 479,246</u>	<u>\$ 5,930,192</u>	<u>\$ 501,318</u>

Facilities Maintenance	Totals	
	2010	2009
\$ 1,093,392	\$ 2,757,474	\$ 2,892,460
-	1,578,156	1,829,868
1,093,392	4,335,630	4,722,328
-	678,168	658,811
-	1,251,307	2,077,059
-	177,236	4,300
-	480,194	491,602
1,051,067	1,051,067	1,025,064
1,051,067	3,637,972	4,256,836
42,325	697,658	465,492
-	-	-
-	(343,482)	-
-	(343,482)	-
42,325	354,176	465,492
621,958	7,491,007	7,025,515
\$ 664,283	\$ 7,845,183	\$ 7,491,007

City of San Bruno, California
Combining Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2010

(with comparative amounts for the year ended June 30, 2009)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>General Equipment Revolving</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 676,356	\$ 1,578,156	\$ 439,680
Cash payments to suppliers for goods and services	(680,599)	(1,267,701)	(246,350)
Cash payments for loss claims	-	(411,836)	-
Net cash provided (used) by operating activities	<u>(4,243)</u>	<u>(101,381)</u>	<u>193,330</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments from other funds	-	-	250,000
Transfers received from other funds	-	-	-
Transfers paid to other funds	-	-	(250,000)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>(4,243)</u>	<u>(101,381)</u>	<u>193,330</u>
CASH AND CASH EQUIVALENTS:			
Beginning of year	<u>328,732</u>	<u>2,041,673</u>	<u>2,759,829</u>
End of year	<u>\$ 324,489</u>	<u>\$ 1,940,292</u>	<u>\$ 2,953,159</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Income (loss) from operations	\$ (1,812)	\$ 326,849	\$ 262,444
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
(Increase) decrease in current assets:			
Accounts receivable	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(7,206)	(16,394)	(69,114)
Compensated absences	4,775	-	-
Increase (decrease) in claims liability - noncurrent	-	(411,836)	-
Net cash provided (used) by operating activities	<u>\$ (4,243)</u>	<u>\$ (101,381)</u>	<u>\$ 193,330</u>
Presentation in Statement of Net Assets:			
Cash and investments	\$ 324,489	\$ 1,849,173	\$ 2,953,159
Cash and investments held by trustees	-	91,119	-
Total Cash and Cash Equivalents, End of Year	<u>\$ 324,489</u>	<u>\$ 1,940,292</u>	<u>\$ 2,953,159</u>

Technology Development	Facilities Maintenance	Totals	
		2010	2009
\$ 546,336 (474,462) -	\$ 1,093,392 (1,060,609) -	\$ 4,333,920 (3,729,721) (411,836)	\$ 4,722,328 (4,370,562) 498,135
<u>71,874</u>	<u>32,783</u>	<u>192,363</u>	<u>849,901</u>
-	-	250,000	-
-	-	-	-
<u>(93,482)</u>	-	<u>(343,482)</u>	-
(93,482)	-	(93,482)	-
(21,608)	32,783	98,881	849,901
<u>557,558</u>	<u>724,742</u>	<u>6,412,534</u>	<u>5,562,633</u>
<u>\$ 535,950</u>	<u>\$ 757,525</u>	<u>\$ 6,511,415</u>	<u>\$ 6,412,534</u>
\$ 67,852	\$ 42,325	\$ 697,658	\$ 465,492
(1,710)	-	(1,710)	-
(1,063)	(9,226)	(103,003)	(149,970)
6,795	(316)	11,254	36,244
-	-	(411,836)	498,135
<u>\$ 71,874</u>	<u>\$ 32,783</u>	<u>\$ 192,363</u>	<u>\$ 849,901</u>
\$ 535,950	\$ 757,525	\$ 6,420,296	\$ 6,321,416
-	-	91,119	91,118
<u>\$ 535,950</u>	<u>\$ 757,525</u>	<u>\$ 6,511,415</u>	<u>\$ 6,412,534</u>

City of San Bruno, California
Combining Statement of Assets and Liabilities
 Fiduciary Funds
 June 30, 2010
 (with comparative totals for June 30, 2009)

	Project Development	San Bruno Garbage Company	Totals	
			2010	2009
ASSETS				
Cash and investments	\$ 386,592	\$ 325,798	\$ 712,390	\$ 688,763
Accounts receivable	-	470,863	470,863	521,883
Total assets	\$ 386,592	\$ 796,661	\$ 1,183,253	\$ 1,210,646
LIABILITIES				
Accounts payable	\$ 109,454	\$ 794,754	\$ 904,208	\$ 870,618
Other liabilities	277,138	1,907	279,045	340,028
Total liabilities	\$ 386,592	\$ 796,661	\$ 1,183,253	\$ 1,210,646

City of San Bruno, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$ 335,348	\$ 189,454	\$ (138,210)	\$ 386,592
Total assets	\$ 335,348	\$ 189,454	\$ (138,210)	\$ 386,592
LIABILITIES				
Accounts payable	\$ 1,950	\$ 221,761	\$ (114,257)	\$ 109,454
Other liabilities	333,398	190,459	(246,719)	277,138
Total liabilities	\$ 335,348	\$ 412,220	\$ (360,976)	\$ 386,592
SAN BRUNO GARBAGE COMPANY				
ASSETS				
Cash and investments	\$ 353,415	\$ 6,290,841	\$ (6,318,458)	\$ 325,798
Accounts receivable	521,883	6,331,941	(6,382,961)	470,863
Total assets	\$ 875,298	\$ 12,622,782	\$ (12,701,419)	\$ 796,661
LIABILITIES				
Accounts payable	\$ 868,668	\$ 11,869,455	\$ (11,943,369)	\$ 794,754
Other liabilities	6,630	2,139	(6,862)	1,907
Total liabilities	\$ 875,298	\$ 11,871,594	\$ (11,950,231)	\$ 796,661
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 688,763	\$ 6,480,295	\$ (6,456,668)	\$ 712,390
Accounts receivable	521,883	6,331,941	(6,382,961)	470,863
Total assets	\$ 1,210,646	\$ 12,812,236	\$ (12,839,629)	\$ 1,183,253
LIABILITIES				
Accounts payable	\$ 870,618	\$ 12,091,216	\$ (12,057,626)	\$ 904,208
Other liabilities	340,028	192,598	(253,581)	279,045
Total liabilities	\$ 1,210,646	\$ 12,283,814	\$ (12,311,207)	\$ 1,183,253

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CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES

City of San Bruno, California
Schedule of Changes in Capital Assets
For the year ended June 30, 2010

	<u>2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>2010</u>
CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES:				
Non-depreciable assets:				
Land:	\$ 561,197	\$ -	\$ -	\$ 561,197
Construction in progress	750,954	1,419,459	(111,681)	2,058,732
Total Land	<u>1,312,151</u>	<u>1,419,459</u>	<u>(111,681)</u>	<u>2,619,929</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)	(2,983,862)		(35,144,945)
Total Roadway	<u>24,377,803</u>	<u>(2,983,862)</u>	<u>-</u>	<u>21,393,941</u>
Recreation and Community Services:				
Park facilities	642,573	-	-	642,573
Bike paths and trails	523,615	-	-	523,615
Accumulated depreciation	(261,975)	(126,791)	-	(388,766)
Total Recreation and Community Services	<u>904,213</u>	<u>(126,791)</u>	<u>-</u>	<u>777,422</u>
Infrastructure (Cost)	<u>67,516,780</u>	<u>465,233</u>	<u>-</u>	<u>67,982,013</u>
Infrastructure (Accumulated depreciation)	<u>(34,013,035)</u>	<u>(1,808,029)</u>	<u>-</u>	<u>(35,821,064)</u>
Total Infrastructure (net)	<u>33,503,745</u>	<u>(1,342,796)</u>	<u>-</u>	<u>32,160,949</u>
Other Depreciable Property:				
Structures and improvements	13,568,587	168,314	-	13,736,901
Machinery and equipment	8,172,298	667,698	(20,566)	8,819,430
Accumulated depreciation:				
Structures and improvements	(4,409,614)	(386,312)	-	(4,795,926)
Machinery and equipment	(4,644,902)	(897,291)	17,780	(5,524,413)
Total Accumulated depreciation	<u>(9,054,516)</u>	<u>(1,283,603)</u>	<u>17,780</u>	<u>(10,320,339)</u>
Total Other Depreciable Property (net)	<u>12,686,369</u>	<u>(447,591)</u>	<u>(2,786)</u>	<u>12,235,992</u>
Total Capital Assets	<u>\$ 47,502,265</u>	<u>\$ (370,928)</u>	<u>\$ (114,467)</u>	<u>\$ 47,016,870</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	
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	
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)

	2006	2007	2008	2009	2010
Governmental activities					
Invested in capital assets, net of related debt	\$ 13,980,909	\$ 36,889,081	\$ 37,073,294	\$ 38,094,423	\$ 35,618,922
Restricted	2,790,614	763,192	797,313	805,664	806,652
Unrestricted (deficit)	10,409,480	17,200,880	18,670,800	17,282,898	19,663,914
Total governmental activities net assets	<u>\$ 27,181,003</u>	<u>\$ 54,853,153</u>	<u>\$ 56,541,407</u>	<u>\$ 56,182,985</u>	<u>\$ 56,089,488</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 18,694,375	\$ 26,319,885	\$ 22,821,582	\$ 29,548,513	\$ 29,617,094
Restricted					
Unrestricted (deficit)	19,953,475	12,200,816	19,943,521	13,642,293	14,951,487
Total business-type activities net assets	<u>\$ 38,647,850</u>	<u>\$ 38,520,701</u>	<u>\$ 42,765,103</u>	<u>\$ 43,190,806</u>	<u>\$ 44,568,581</u>
Primary government					
Invested in capital assets, net of related debt	\$ 32,675,284	\$ 63,208,966	\$ 59,894,876	\$ 67,642,936	\$ 65,236,016
Restricted	2,790,614	763,192	797,313	805,664	806,652
Unrestricted (deficit)	30,362,955	29,401,696	38,614,321	30,925,191	34,615,401
Total primary government net assets	<u>\$ 65,828,853</u>	<u>\$ 93,373,854</u>	<u>\$ 99,306,510</u>	<u>\$ 99,373,791</u>	<u>\$ 100,658,069</u>

City of San Bruno, California

Changes in Net Assets

Last Five Fiscal Years

(Fiscal year ended June 30)

(accrual basis of accounting)

	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	\$ 4,056,039	\$ 3,086,818	\$ 680,412	\$ 5,879,731	5,757,945
Public safety	16,143,674	17,005,014	21,497,158	19,625,779	19,593,501
Public works	679,486	1,017,450	1,766,933	1,256,060	862,049
Highways and streets	2,699,804	4,330,591	5,993,182	5,391,549	4,864,060
Parks and recreation	3,585,800	4,226,636	4,805,202	4,760,291	4,393,495
Library	1,665,597	1,627,219	2,076,155	1,890,435	1,757,550
Community development	3,858,037	3,027,355	5,727,039	7,030,845	9,180,082
Interest expense	557,964	575,021	553,486	665,517	672,458
Total governmental activities expenses	<u>33,246,401</u>	<u>34,896,104</u>	<u>43,099,567</u>	<u>46,500,207</u>	<u>47,081,140</u>
Business-type activities:					
Water	6,893,587	6,868,405	5,857,761	7,341,657	6,919,121
Stormwater	467,043	502,802	(171,906)	687,278	386,608
Wastewater	6,084,873	6,904,217	7,859,491	8,054,907	7,987,591
Cable Television	8,055,100	9,489,656	9,324,247	10,700,667	11,452,012
Total business-type activities expenses	<u>21,500,603</u>	<u>23,765,080</u>	<u>22,869,593</u>	<u>26,784,509</u>	<u>26,745,332</u>
Total primary government expenses	<u>\$ 54,747,004</u>	<u>\$ 58,661,184</u>	<u>\$ 65,969,160</u>	<u>\$ 73,284,716</u>	<u>\$ 73,826,472</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 3,030,230	\$ 2,913,631	\$ 5,102,298	\$ 2,100,780	\$ 3,831,697
Public safety	1,042,823	1,405,736	1,507,685	1,545,769	1,514,350
Public works	-	52,157	781,614	49,186	39,104
Highways and streets	2,091,813	754,080	977,667	18,700	18,700
Parks and recreation	681,356	751,985	794,097	915,378	988,075
Library	63,243	63,638	144,703	76,934	104,188
Community development	2,572,835	1,163,310	2,622,644	1,905,157	1,084,270
Operating grants and contributions	757,952	3,924,875	3,537,503	6,987,198	5,715,274
Capital grants and contributions	2,822,419	328,114	2,628,237	-	823,772
Total governmental activities program revenues	<u>13,062,671</u>	<u>11,357,526</u>	<u>18,096,448</u>	<u>13,599,102</u>	<u>14,119,430</u>
Business-type activities:					
Charges for services:					
Water	6,682,238	7,089,683	8,258,200	8,174,920	8,836,515
Stormwater	549,708	614,832	531,455	618,552	574,796
Wastewater	6,079,454	6,261,689	8,413,781	9,061,789	9,566,099
Cable Television	7,867,702	9,162,788	9,036,944	9,833,713	10,254,204
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>21,179,102</u>	<u>23,128,992</u>	<u>26,240,380</u>	<u>27,688,974</u>	<u>29,231,614</u>
Total primary government program revenues	<u>\$ 34,241,773</u>	<u>\$ 34,486,518</u>	<u>\$ 44,336,828</u>	<u>\$ 41,288,076</u>	<u>\$ 43,351,044</u>
Net (Expense)/Revenue					
Governmental activities	\$ (20,183,730)	\$ (23,538,578)	\$ (25,003,119)	\$ (32,901,105)	\$ (32,961,710)
Business-type activities	(321,501)	(636,088)	3,370,787	904,465	2,486,282
Total primary government net expense	<u>\$ (20,505,231)</u>	<u>\$ (24,174,666)</u>	<u>\$ (21,632,332)</u>	<u>\$ (31,996,640)</u>	<u>\$ (30,475,428)</u>

City of San Bruno, California

Changes in Net Assets

Last Five Fiscal Years

(Fiscal year ended June 30)

(accrual basis of accounting)

	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 4,944,621	\$ 5,315,026	\$ 5,792,092	5,609,011	6,561,286
Property taxes, tax increment for redevelopment purposes	2,625,615	3,839,579	4,435,080	9,163,133	9,308,063
Transient occupancy tax	1,139,693	1,276,830	1,478,040	1,339,877	1,344,364
Franchise tax	1,450,533	1,531,909	1,608,176	1,798,855	1,804,390
Sales tax, including subvention	6,816,036	6,862,845	6,637,010	6,402,912	5,366,248
Business license tax	2,819,988	2,735,107	1,491,812	1,540,728	1,496,516
Airport parking tax	-	316,762.00	-	1,523,129	1,487,538
Intergovernmental:					
State motor vehicle in-lieu tax, including subvention	2,824,642	3,166,460	3,365,156	3,544,320	3,350,849
Use of money and property	499,665	1,218,377	2,184,450	1,433,300	2,242,441
Miscellaneous	3,409,259	2,425,997	-	-	-
Transfers	175,164	-	(300,443)	187,418	(93,482)
Total governmental activities	<u>26,705,216</u>	<u>28,688,892</u>	<u>26,691,373</u>	<u>32,542,683</u>	<u>32,868,213</u>
Business-type activities					
Use of money and property	513,954	508,939	573,172	(291,344)	123,648
Miscellaneous	112,307	-	-	-	-
Transfers	(175,164)	-	300,443	(187,418)	93,482
Total business-type activities	<u>451,097</u>	<u>508,939</u>	<u>873,615</u>	<u>(478,762)</u>	<u>217,130</u>
Total primary government	<u>\$ 27,156,313</u>	<u>\$ 29,197,831</u>	<u>\$ 27,564,988</u>	<u>\$ 32,063,921</u>	<u>\$ 33,085,343</u>
Changes in Net Assets					
Governmental activities	\$ 6,521,486	\$ 5,150,314	\$ 1,688,254	\$ (358,422)	\$ (93,497)
Business-type activities	129,596	(127,149)	4,244,402	425,703	2,703,412
Total primary government	<u>\$ 6,651,082</u>	<u>\$ 5,023,165</u>	<u>\$ 5,932,656</u>	<u>\$ 67,281</u>	<u>\$ 2,609,915</u>

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

	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 3,934,669	\$ 662,200	\$ 826,709	\$ 1,060,558	\$ 801,235
Unreserved (deficit)	4,462,312	8,041,350	8,670,499	6,652,186	7,443,638
Total general fund	<u>\$ 8,396,981</u>	<u>\$ 8,703,550</u>	<u>\$ 9,497,208</u>	<u>\$ 7,712,744</u>	<u>\$ 8,244,873</u>
All Other Governmental Funds					
Reserved	\$ 1,119,897	\$ 566,000	\$ 770,835	\$ 1,194,080	\$ 2,039,187
Unreserved reported in:					
Special revenue funds	(322,899)	3,398,888	5,817,754	9,580,539	9,999,370
Capital projects funds	(534,980)	219,830	501,822	(986,616)	(1,087,840)
Debt service funds	21,151	763,192	797,313	805,664	806,652
Total all other governmental funds	<u>\$ 283,169</u>	<u>\$ 4,947,910</u>	<u>\$ 7,887,724</u>	<u>\$ 10,593,667</u>	<u>\$ 11,757,369</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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$ 14,194,407	\$ 13,600,471	\$ 16,810,824	\$ 18,278,498	\$ 21,801,314	\$ 18,835,537	\$ 21,137,455	\$ 23,236,735	\$ 27,788,860	\$ 27,863,575
Licenses and permits	2,876,509	3,405,934	4,866,084	1,835,250	1,637,527	5,283,072	4,813,087	4,379,092	3,644,640	2,036,968
Intergovernmental	8,512,433	6,279,693	4,410,098	3,960,354	4,538,435	4,726,434	4,976,381	5,555,835	4,024,517	4,663,260
Charges for services	1,481,108	1,827,108	3,800,633	3,936,291	5,302,228	4,998,704	3,458,641	3,534,085	2,812,413	3,319,982
Fines and forfeitures	500,662	477,585	428,284	555,133	500,717	570,691	563,836	578,406	649,186	763,221
Use of money and property	1,116,977	1,719,668	306,424	908,139	364,665	1,583,178	1,149,534	2,287,478	1,433,302	1,938,960
Other revenues	2,606,880	1,511,745	1,882,845	614,131	1,660,831	2,210,719	4,048,911	5,976,311	5,601,449	6,151,677
Total revenues	\$ 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	\$ 46,737,643
Expenditures:										
General government	\$ 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	\$ 3,432,652
Public safety	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	19,791,984
Public works	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	795,138
Highways and streets	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	3,924,442
Parks and recreation	3,310,526	3,775,558	4,202,653	3,791,251	3,562,029	3,886,525	4,136,082	4,822,377	4,627,648	4,319,160
Library	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	1,752,924
Community development	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	8,978,350
Capital outlay	2,921,443	7,525,731	3,984,770	1,661,709	773,579	827,974	799,524	906,765	696,590	1,071,479
Debt service:										
Principal	70,000	75,000	447,867	474,153	501,323	812,828	479,955	503,713	523,124	548,219
Interest	27,167	622,025	845,104	569,776	516,934	563,591	548,987	526,204	702,518	677,464
Total expenditures	\$ 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	\$ 45,291,812
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	\$ 2,618,529	\$ (13,433,770)	\$ (3,759,243)	\$ (1,121,260)	\$ 545,736	\$ 1,342,289	\$ 4,723,946	\$ 3,578,674	\$ 734,061	\$ 1,445,831
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	\$ 5,418,156
Other financing sources (Transfer Out)							\$ (4,058,624)	\$ (2,812,004)	\$ (3,317,169)	\$ (5,168,156)
Other financing sources (uses):										
Operating transfers from (to) Enterprise Funds:										
Water	788,600	465,251	-	-	-	77,500	-	-	-	-
Stormwater	265,400	219,117	190,400	-	-	25,000	-	-	-	-
Wastewater	364,100	350,660	-	-	-	72,664	-	-	-	-
Cable Television	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	-		14,330	-	3,065	-	6,363	3,380	-	-
Proceeds of debt issued (refunds)	(329,737)		-	-	-	1,229,298	-	-	-	-
Total other financing sources (uses)	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	\$ 11,753,722	\$ (10,893,468)	\$ (3,492,163)	\$ (1,202,184)	\$ 423,199	\$ 2,896,751	\$ 4,971,309	\$ 3,733,472	\$ 921,479	\$ 1,695,831
Debt service as a percentage of noncapital expenditures	0%	2%	4%	4%	3%	4%	3%	3%	3%	3%

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 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
FY 09-10	4,987,270	158,207	5,145,477	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 overrides. 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 \$100 of assessed value)

	Direct Rates				Total Tax Rate
	Basic Rate	Total Direct	School Districts	Special Districts	
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
FY 09-10	1.0000	1.0000	0.0804	0.0000	1.0804

Source: California Municipal Statistics

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

Property Owner	Primary Land Use	2009-10			2001-2002				
		Assessed Valuation	Rank	% of Total	Property Owner	Primary Land Use	Assessed Valuation(in thousands of dollars)	Rank	% of Total
ASN Tanforan Crossing I LLC	Apartments	\$ 155,053,067	1	20.29%	The Gap Inc.	Office Building	\$ 271,603	1	43.94%
The Gap Inc.	Office Building	133,063,864	2	17.41%	Bayhill Associates	Office Building	118,606	2	19.19%
Bayhill Four Associates	Office Building	127,800,000	3	16.72%	Aimco San Bruno Apt.	Apartments	43,080	3	6.97%
Tanforan Park Shopping Center	Shopping Center	95,245,333	4	12.46%	San Bruno Seventeen et al	Office Building	34,955	4	5.66%
Sears Holdings Corporation	Shopping Center	56,245,175	5	7.36%	RB Lake Amir Office Et AL	Office Building	27,857	5	4.51%
CREA-San Bruno LLC	Office Building	52,900,000	6	6.92%	Crystal Springs Associates	Apartments	27,583	6	4.46%
Landmark Towne Center LLC	Shopping Center	40,770,137	7	5.33%	Tanforan Shopping Center	Shopping Center	26,557	7	4.30%
FW CA Bay Hill Shopping Center	Shopping Center	35,809,015	8	4.68%	JC Penny Co. Inc.	Shopping Center	23,216	8	3.76%
Aimco San Bruno Apartments Partners LP	Apartments	35,798,556	9	4.68%	Martin/Regis San Bruno Assoc.	Apartments	22,491	9	3.64%
Crystal Springs Associates	Apartments	31,671,897	10	4.14%	Lowe's HIW Inc. Lessee	Shopping Center	22,163	10	3.59%

Source(s): Financial Statements and California Municipal Statistics, Inc.

City of San Bruno, California
Schedule of Top 40 Retail Businesses
(Listed in Alphabetical Order)
For the year ended June 30, 2010

Name	Address
All Shores	135 El Camino Real
Apex Systems, Inc.	1111 Bayhill Dr. Ste 240
Aramark Food Service	1 Moreland Dr.
Bayhill 4-7 LLC	950 Elm Ave.
BJ's Restaurant	1150 El Camino Real
Century Theaters Inc. #494	1188 El Camino Real
Cisco Ironport Systems, Inc.	950 Elm Ave.
Courtyard By Marriott-San Bruno	1050 Bayhill Dr.
CVS/Pharmacy #9807	10 Bayhill Center
Davita RX, LLC	1178 Cherry Ave.
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. #330
Lohika Systems Inc.	1111 Bayhill Dr., Ste 210
Lowe's HIW, Inc. #1019	1340 El Camino Real
Lucky #748	1322 El Camino Real
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
Paychex North America Inc.	1100 Grundy Ln. Ste 350
Qumu, Inc.	1100 Grundy Ln. Ste 300
Sears Auto Center #6909	1178 El Camino Real
Sears, Roebuck & Co. #1478	1178 El Camino Real
Shelter Creek Condo. Owners Association	701 Shelter Creek Ln.
St Gas-Gas Station	1179 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
Vence's Shell Fish Co., Inc.	1063 Montgomery Ave.
Walgreens #2939	333 El Camino Real
Weiss-Gohlig 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
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%
2010	4,668,992	4,668,992	100%	-	4,668,992	100%

Source: City financial records

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Per Capita Personal Income
	Capital Leases	Certificates of Participation	Special Assessment Bonds	Wastewater Certificates of Participation			
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
2010	714,622	8,145,000	-	8,475,000		17,334,622	657.61

Source: City financial records

City of San Bruno, California

Overlapping Debt

June 30, 2010

2009-10 Assessed Valuation: 4,318,662,392

Overlapping Tax and Assessment Debt:	<u>Net Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>Debt</u>
San Mateo Community College District	\$ 624,979,994	3.334%	\$ 20,836,833
South San Francisco Unified School District	34,975,043	1.365	477,409
San Mateo Union High School District	307,495,456	9.184	28,240,383
San Bruno Park School District	18,763,567	74.99	14,070,799
Millbrae School District Maintenance Assessment District	12,000,000	2.033	<u>243,960</u>
Total overlapping tax and assessment debt			\$ 63,869,384
Direct and Overlapping General Fund Debt:			
San Mateo County General Fund Obligations	\$ 349,089,816	3.334%	\$ 11,638,654
San Mateo County Board of Education Certificates of Participation	12,885,000	3.334	429,586
San Mateo County Flood Control District Certificates of Participation	23,365,000	6.207	1,450,266
South San Francisco Unified School District Certificates of Participation	2,675,000	1.365	36,514
San Mateo Union High School District Certificates of Participation	65,946,236	9.184	6,056,502
City of San Bruno 1915 Act Bonds	8,145,000	100.000	8,145,000
San Mateo County Mosquito Abatement District Certificates of Participation	275,000	0.116	<u>319</u>
Total direct and overlapping general fund debt			<u>27,756,841</u>
Combined Total Debt			<u><u>\$ 91,626,225</u></u>

Ratios to Assessed Valuation:

Combined Direct Debt	0.19%
Total Overlapping Tax and Assessment Debt	1.23%
Combined Total Debt	2.12%

State School Building Aid Repayable as of 6/30/10 **\$ -**

(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

City of San Bruno, California

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	410,465	494,283	522,753	585,483	546,545	595,032	680,951	740,427	791,361	748,091
Total net debt applicable to limit	9,690	21,514	20,911	20,252	19,566	20,190	19,520	18,821	18,093	17,335
Legal debt margin	<u>\$ 400,775</u>	<u>\$ 472,769</u>	<u>\$ 501,842</u>	<u>\$ 565,231</u>	<u>\$ 526,979</u>	<u>\$ 574,842</u>	<u>\$ 661,431</u>	<u>\$ 721,606</u>	<u>\$ 773,268</u>	<u>\$ 730,756</u>
Total net debt applicable to the limit as a percentage of debt limit	2.42%	4.55%	4.17%	3.58%	3.71%	3.51%	2.95%	2.61%	2.34%	2.37%

City of San Bruno, California

Pledged Revenue Coverage

For the last ten fiscal years

(dollars in thousands)

Fiscal Year Ended June 30,	Business-type Activities					
	Wastewater Certificates of Participation					
	Sewer Revenues & Transfers	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest		
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	7,275,670	1,786,120	210,000	417,420	2.85
2010	9,566,100	7,235,637	2,330,462	215,000	409,860	3.73

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
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	43,286	981,276,306	26,360	39.0	3,796	5.6%
2009	43,798	992,883,141	26,360	38.3	3,805	10.3%
2010	44,294	1,167,589,840	26,360	36.3	3,789	9.2%

Source: Population is provided by the State Department of Finance
 Personal income and per capita personal income is provided by U.S. Census 2000, other years unavailable
 Median Age is provided by U.S. Census Bureau based on the 2000 Census
 School Enrollment is provided by Caupuchino High & San Bruno Park
 The unemployment rate is provided by the State of California Employment Development Department for
 San Mateo County

City of San Bruno, California

Principal Employers

Current Year and Last Year

Employer	2009-10			2008-09		
	Employees	Rank	Percentage of Top 11 Employment	Employees	Rank	Percentage of Top 11 Employment
Cisco Ironport Systems, Inc.	373	1	16.33%			N/A
YouTube, Inc.	400	2	17.52%	309	1	N/A
Target Store T1054	286	3	12.52%	300	2	17.13%
Sears, Roebuck & Co.	287	4	12.57%	262	3	14.96%
Lowes HIW, Inc. #1019	156	5	6.83%	154	4	N/A
Vantagepoint Venture Partners	62	6	2.72%	70	5	4.00%
Davita RX, LLC	32	7	1.40%	23	6	1.31%
Lash Group, Inc.	309	8	13.53%	268	8	15.31%
Melody Toyota	67	9	2.91%	67	9	3.83%
Inquira, Inc.	75	10	3.28%	63	10	N/A
J.C. Penny Corp., Inc.	237	11	10.38%	235	11	13.42%
Longs Drug Store #09807				N/A	7	
Total	2,284			1,751		

Source: City of San Bruno 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	2005-06	2006-07	2007-08	2008-09	2009-10
General Fund					
City Council	5.00	5.00	5.00	5.00	5.00
City Clerk	1.50	1.75	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	2.00	2.00	2.00	2.00	2.00
Human Resources	2.00	2.75	2.75	2.75	1.75
Finance					
Administration	5.00	5.00	5.00	5.00	5.00
Revenue Services	6.00	6.00	6.00	6.00	6.00
Police	66.00	66.00	63.00	66.00	61.00
Fire	36.00	35.00	33.00	33.50	33.50
PublicWorks					
Admin. & Engineering	7.75	8.75	7.75	7.75	7.75
Streets Maintenance	5.60	5.60	5.60	5.60	5.10
Community Development					
Planning	3.45	3.45	2.60	2.50	2.00
Building	6.10	6.10	5.30	5.00	4.00
Parks & Recreation Services					
Recreation	4.05	4.20	3.35	4.35	3.85
Parks Maintenance	18.75	18.75	15.95	17.00	15.50
Senior Services	2.45	2.30	2.15	2.15	2.15
Library Services	10.50	10.50	9.50	10.00	9.00
Subtotal	184.40	185.40	172.95	178.60	167.60
Special Revenues					
Solid Waste	0.30	0.30	0.30	0.30	0.25
RDA Operations	2.80	2.75	1.80	3.60	3.60
RDA Low/Mod Housing	1.65	1.70	1.25	1.90	1.90
Subtotal	4.75	4.75	3.35	5.80	5.75
Internal Services					
Central Garage	3.35	3.95	3.85	3.95	3.95
Buildings and Facilities	5.75	7.00	5.50	7.00	7.00
Technology Support	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	1.00	1.00	1.00	0.75
Subtotal	13.10	14.95	13.35	14.95	14.70
Enterprise Funds					
Water Enterprise	15.90	17.90	15.90	16.90	16.90
Stormwater Enterprise	2.55	2.95	2.95	2.95	2.95
Wastewater Enterprise	14.60	14.60	12.10	14.60	14.10
Cable Enterprise	18.50	19.50	19.00	19.50	19.50
Subtotal	51.55	54.95	49.95	53.95	53.45
Total Positions (all funds)	253.80	260.05	239.60	253.30	241.50

Source: City of San Bruno

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

Function/Program	2006	2007	2008	2009	2010
Engineering /Public Work					
Pavement	N/A	(720,575)	(698,246)	(698,027)	(696,010)
Traffic Signal		17			
Traffic Signal	N/A	(42,547)	(42,218)	(43,404)	(54,334)
Streetlights		1,448			
Streetlights	N/A	(76,300)	(241,541)	(241,541)	(241,541)
Housing & Redevelopment					
Roadway in centerline miles		145			
Sidewalk	N/A	(411,070)	(402,009)	(415,587)	(415,488)
Roadway in centerline miles		131			
Curb & Gutter	N/A	(120,158)	(117,235)	(117,235)	(117,235)
Finance and Parks					
Park Facilities		24			
Park Facilities	N/A	(35,915)	(35,847)	(35,847)	(35,847)
Walkway Paths and Trails Subsystem		2			
Walkway Paths and Trails Subsystem	N/A	(20,944)	(20,507)	(20,507)	(20,507)
Buildings		24			
Structures	N/A	(389,213)	(367,380)	(377,093)	(386,312)

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.

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