



**City of San Bruno,
California**



**Comprehensive Annual Financial Reporting
For the Fiscal Year Ending June 30, 2012**



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CITY OF SAN BRUNO, CALIFORNIA

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December 28, 2012

To the Honorable Mayor and Members of the City Council

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of San Bruno, California (The City) for the fiscal year ended June 30, 2012. The City is required to publish a complete set of audited financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm.

Management assumes responsibility for the accuracy of the data presented and the completeness and fairness of financial presentations and disclosures. Further, the City believes that all disclosures have been included that are necessary for a reader to understand the City's financial condition. To provide a reasonable basis for making these representations, management has established a thorough internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with GAAP.

The City's financial statements have been audited by the certified public accounting firm of Vavrinek, Trine, Day & Company, LIP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2012, taken as a whole, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial management presentation. The City's independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ending June 30, 2012, are fairly presented. The independent auditor's report stating this opinion can be found in the financial section of this report

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report

Government Profile

The City of San Bruno is a general law city incorporated in 1914 that operates under the council-manager form of government. The City has four Council members elected at large for staggered four-year terms and the Mayor is elected for a two-year term. The Council appoints the City Manager and City Attorney, The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing department directors. The City Clerk is elected to a four-year term and serves as elections officer and clerk to the council and City. The City Treasurer is also elected to four-year term and manages the City's investment portfolio.

The City of San Bruno is a full service City that provides police, fire, public works services that include streets, water, sewer, and stormwater, community services that includes parks maintenance, along with recreation, senior, and library services, and a cable television enterprise. General government activities include city administration, legal services, finance, human resources, and technology. The City employs 239 full-time equivalent positions.

Budget Process

The City adopts an annual budget for the General Fund, Enterprise Funds, Special Revenue Funds, Capital Projects Funds, and Internal Service Funds. The budget process begins in January with each department receiving a budget packet. The City Manager provides each department director with the budget direction to guide the preparation of the budget. The Finance Department works with each department throughout the budget development process and conducts a thorough review of each department's budget. The City Manager's Recommended Budget is distributed to the City Council in May, with study sessions to discuss the budget in greater detail held in early June. Public hearings are then conducted to obtain comments from the public with the adoption of the budget by City Council resolution occurring no later than June 30, 2012.

The City Council exercises budgetary control at the fund level. Quarterly financial reports are presented to the Council to assess and evaluate budget performance during the year. Budget amendments requiring an increase in appropriations require approval of the City Council and are done as needed during the course of the year.

Assessment of the City's Economic Condition

The City's geographic location has a significant impact on its economic position. The City is located at the intersection of three major interstate freeways (Highway 101, Interstate 380, and Interstate 280), making the City easily accessible from San Francisco to the north and from Silicon Valley to the south. The City also has a Bay Area Rapid Transit (BART) station and Caltrain station located within its limits, making it readily accessible via public transportation. In addition, the San Francisco International Airport is immediately adjacent to the City to the east, making it a popular destination for business travelers and tourists. These attributes make San Bruno a popular location for businesses and retailers.

On February 1, 2012, all redevelopment agencies in California were eliminated as a result of Assembly Bill 26. The San Bruno Redevelopment Agency was successful in helping to finance the revitalization of many areas of the City, including the transformation of the former Navy site into the Crossing San Bruno, a mixed-use development that includes several multi-family residential buildings along with commercial businesses. The elimination of redevelopment agencies will have an impact on the City's ability to finance future endeavors similar to the Crossing, since the City no longer has a dedicated revenue stream for such purposes.

The economic outlook for San Bruno has improved and the City anticipates continuing moderate growth in General Fund revenues. The City is fortunate to have a diverse and stable revenue base, with sales tax being the City's largest, single revenue source at 21%. This diverse revenue base has allowed the City to maintain its services during this most recent economic downturn without the need for dramatic cuts or use of reserves.

Property Taxes

The City of San Bruno has 12,865 parcels with a total assessed value of \$5.3 billion. The City has seen its assessed value grow by 4.26% on average since 2000. Property tax comprises 17% of the total General Fund revenue base.

Sales and Use Taxes

Sales and use taxes are the City's single, largest General Fund revenue source accounting for 21% of total revenue. Similar to the overall General Fund revenue base, the City's sales tax revenue is derived from a diverse base of retailers that include major department stores located at the Shops at Tanforan, auto dealerships, and a variety of small businesses and restaurants located throughout the City. The top 25 sales tax producers in San Bruno account for 62% of the total sales tax revenue.

Transient Occupancy Tax

The City has 13 hotels/motels offering a total of 653 rooms. The proximity of the City to the San Francisco International Airport, along with the presence of several large corporate businesses, makes it a popular destination for overnight accommodations. Transient Occupancy Taxes have increased by 12% per year on average since 2007 and account for 6% of the City's total General Fund revenue.

Financial Policies and Planning

The City's informal long-term financial policies place an emphasis on growing its reserves to ensure the City has adequate funds available to meet future needs. Through its prudent fiscal management and use of budgetary controls, the City has managed to grow its reserves during the past several years despite the economic downturn. The City has an informal policy to limit the use of one-time/non-recurring revenues to balance the budget and instead directs these funds to reserves whenever feasible. The City is currently in the process of working with the City Council to establish formal reserve policies and anticipates that this will occur in 2013.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2011. To receive this award, a government must publish an easily readable and well organized financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the CAFR was made possible through the dedicated work and contribution of all of the members of the Finance Department. Special acknowledgement is due to Darlene Wong, Accounting Manager, whose diligent work effort to maintain the City's financial records with the utmost accuracy and transparency, make the preparation of the CAFR possible. In addition, the City Manager and Department Directors provide the guidance necessary to ensure that the financial operations of the City are conducted in an accountable and prudent manner.

The City Council should be acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal wellbeing of the City.

Respectfully submitted,



Kim Juran
Finance Director



CITY OF SAN BRUNO CITY COUNCIL

Jim Ruane, Mayor

Ken Ibarra, Vice Mayor

Rico E. Medina

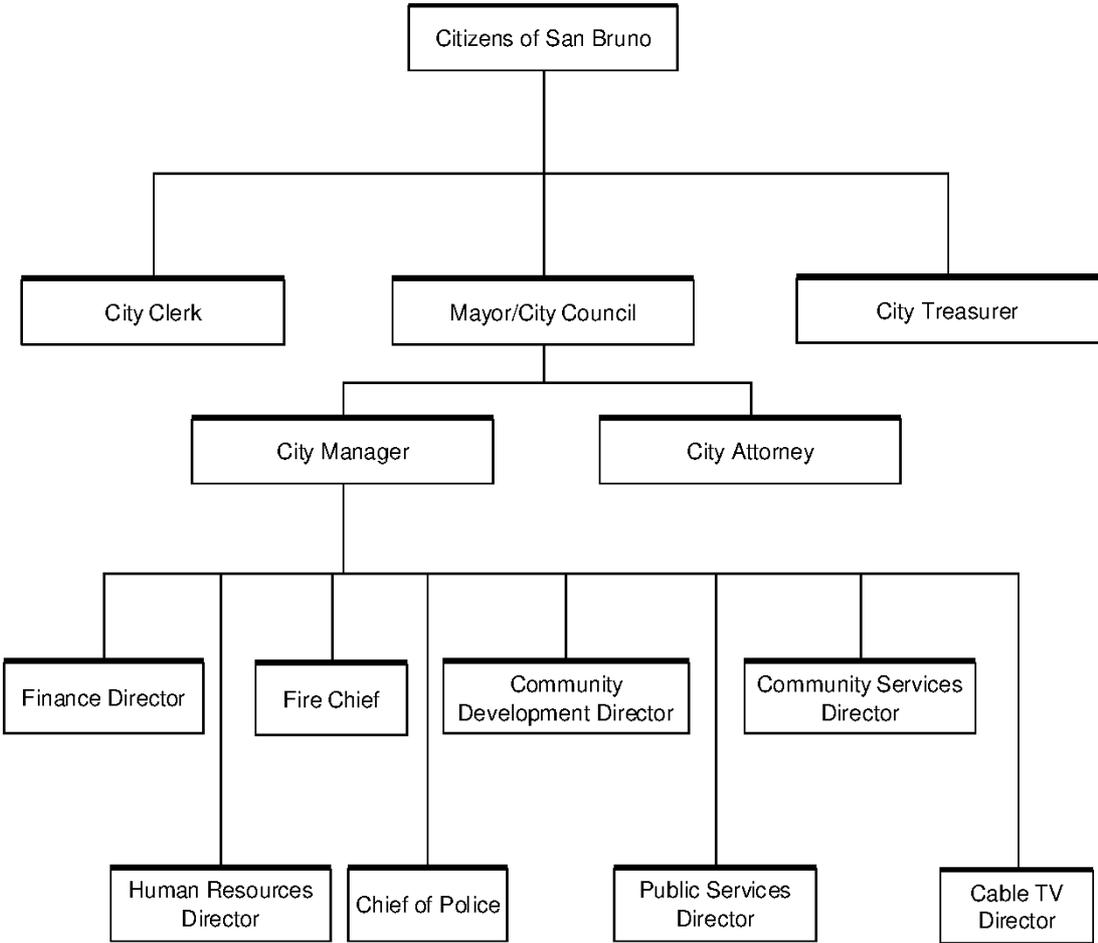
Irene O'Connell

Michael Salazar

CITY MANAGER

Connie Jackson

CITY OF SAN BRUNO





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business – type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno, as of and for the year ended June 30, 2012, which collectively comprise the City of San Bruno's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of San Bruno's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The prior comparative information has been derived from the City of San Bruno's 2011 financial statements and, in our report dated December 22, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

As described in Note 17, Assembly Bill 1X26 was upheld and declared constitutional by the California Supreme Court on December 29, 2011. As part of its decision, the Supreme Court established the date of dissolution as of February 1, 2012. The redevelopment agencies in California, including the City of San Bruno, were terminated and successor agencies were appointed to wind down the affairs of the former redevelopment agencies in accordance with the provisions of Assembly Bill 1X26. The City of San Bruno has elected to be appointed as Successor Agency for purposes of winding down the affairs of the Agency. As a result, the fund balances of the former Redevelopment Agency were transferred to a private purpose trust fund on February 1, 2012.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2012, 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, and grants. 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. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Introductory Section and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Vavrinck, Trine, Day & Co. LLP

Palo Alto, California
December 28, 2012

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012. 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 \$13.2 million during 2011-12, bringing the total net assets to \$118.0 million. The 2011-12 increase in net assets marks the ninth straight year that the City has seen positive growth of net assets. Of government-wide net assets, \$81.1 million is invested in capital assets, \$12.5 million is restricted for specific use, and the balance of \$24.4 million is unrestricted for the City's operations and capital investments.
- The City's General Fund balance increased by \$3.9 million bringing the total to \$13.7 million. City revenues increased with primary areas of growth being sales tax and transient occupancy tax. Salary savings resulting from vacant positions brought expenditures in under budget. The combination of an operating surplus, one-time revenue such as excess ERAF tax received from the County and allocations from the Redevelopment Property Tax Transfer Funds contributed to this improvement.
- The City's Governmental activities expenses were \$41.0 million, representing a 13.6% decrease over 2010-11. Expenses were offset by charges for services of \$8.2 million and Operating and Capital Contributions and Grants of \$12.3 million for a net cost to general revenues (taxes and investment income) of \$21.5 million. General governmental activities revenues totaled \$28.9 million for a gain (revenues greater than expenses) of \$8.6 million.
- The September 9, 2010 Pacific Gas and Electric gas transmission pipeline explosion and resulting fire in San Bruno continued to have an impact on City operations and required the City to make expenditures towards the recovery and rebuilding effort. Expenditures related to the incident continued to be charged to the Crestmoor Emergency Disaster Fund and the City continues to seek reimbursements for its costs from PG&E. As of June 30, 2012 the City had an outstanding receivable of \$2.7 million related to expenses not yet reimbursed, but anticipated to be fully recovered.
- The enactment of ABx1 26 dissolved all redevelopment agencies in California on February 1, 2012 and created successor agencies to wind down their operations. The resulting transfer of assets as of February 1, 2012 from the former Redevelopment Agency to the Successor Agency created an extraordinary loss in the governmental funds of the City in the amount of \$6.6 million. The net result of the receipt of these assets and long-term liability also created an extraordinary loss in the private-purpose trust fund in the amount of \$1.3 million. Extraordinary items are considered to be both unusual in nature and infrequent in occurrence. More information relating to the dissolution of the Redevelopment Agency and a reconciliation of the loss can be found in Note 17.
- Business-type activities expenses of \$28.4 million were offset by charges for services totaling \$32.7 million. Combined with non-program revenues totaling \$0.1 million, Net Assets increased by \$4.5 million.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

Overview of Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of San Bruno that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of San Bruno consist of general government, public safety, public works, highways and streets, parks and recreation, library and community development. The business-type activities of the City of San Bruno include Water, Stormwater, Wastewater and Cable Television.

In previous years, 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. As a result of the elimination of redevelopment agencies, the government-wide financial statements include revenues and expenses of the former Redevelopment Agencies as of January 31, 2012.

The government-wide financial statements can be found on pages 18 and 20 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.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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 nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Redevelopment Agency, Measure A Transportation Tax and the Street Improvement Capital Projects Fund, all of which are considered to be major funds. Data from the other thirteen 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 governmental fund financial statements can be found on page 24 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 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 proprietary fund financial statements can be found on page 32 of this report.

Fiduciary funds. Trust and Agency Funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds, the Project Development Fund and the San Bruno Garbage Company Fund and the Crestmoor Glenview Restitution 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.

In addition to agency funds, the Successor Agency to the San Bruno Redevelopment Agency trust fund was created as the result of the California Supreme Court decision on December 29, 2011 upholding Abx1 26, which eliminated all redevelopment agencies in California and created a process for winding down their operations.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Unlike agency funds, trust funds report an “income statement”. Activity of the successor agency trust from January 31, 2012 forward is reported in this fiduciary fund of the City.

The fiduciary fund financial statements can be found on page 38 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 page 40 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 79 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 page 84 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 \$118.0 million at the close of fiscal year 2011-12. By far the largest portion of the City’s net assets (68.8%) 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's Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets:	\$ 35,819,546	\$ 38,135,639	\$ 22,463,988	\$ 19,945,656	\$ 58,283,534	\$ 58,081,295
Noncurrent assets:	59,048,654	45,832,978	53,411,240	53,058,473	112,459,894	98,891,451
Total assets	<u>94,868,200</u>	<u>83,968,617</u>	<u>75,875,228</u>	<u>73,004,129</u>	<u>170,743,428</u>	<u>156,972,746</u>
Current liabilities:	7,253,396	8,047,309	5,740,786	5,639,977	12,994,182	13,687,286
Noncurrent liabilities:	20,912,492	17,440,678	18,854,843	20,608,443	39,767,335	38,049,121
Total liabilities	<u>28,165,888</u>	<u>25,487,987</u>	<u>24,595,629</u>	<u>26,248,420</u>	<u>52,761,517</u>	<u>51,736,407</u>
Net Assets:						
Invested in capital assets, net of related debt	48,151,315	36,981,386	32,968,582	30,706,799	81,119,897	67,688,185
Restricted	11,351,798	16,116,900	-	-	11,351,798	16,116,900
Unrestricted	6,089,202	5,382,344	18,311,018	16,048,910	24,400,220	21,431,254
Total net assets	<u>\$ 65,592,315</u>	<u>\$ 58,480,630</u>	<u>\$ 51,279,600</u>	<u>\$ 46,755,709</u>	<u>\$ 116,871,915</u>	<u>\$ 105,236,339</u>

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

An additional portion of the City's net assets (\$12.5 million or 10.5 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 \$24.4 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 2011-12, the City reported a positive balance in 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. An increase in sales tax and transient occupancy tax revenue along with excess ERAF tax contributed for the increase in the governmental activities, 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 \$4.5 million.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

**Changes in Net Assets
For the years ending June 30,
(\$ in millions)**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Charge for services	\$ 8.2	\$ 7.0	\$ 32.7	\$ 31.0	\$ 40.9	\$ 14.0
Operating contributions and grants	10.3	11.0	-	-	10.3	11.0
Capital contributions and grants	1.9	-	-	-	1.9	-
Property taxes	5.6	5.0	-	-	5.6	5.0
Incremental property taxes	3.6	9.0	-	-	3.6	9.0
Transient occupancy taxes	2.2	2.0	-	-	2.2	2.0
Franchise taxes	1.9	2.0	-	-	1.9	2.0
Sales taxes	6.9	7.0	-	-	6.9	7.0
Cardroom taxes	1.6	2.0	-	-	1.6	2.0
Other taxes	2.1	2.0	-	-	2.1	2.0
State motor vehicle in-lieu tax, including subvention	3.3	3.0	-	-	3.3	3.0
Use of money and property	1.8	2.0	0.1	-	1.9	2.0
Total Revenue	49.4	51.0	32.8	31.0	82.2	58.0
Expenses						
General government	9.1	11.0	-	-	9.1	11.0
Public safety	19.0	19.0	-	-	19.0	19.0
Public works	1.0	1.0	-	-	1.0	1.0
Highways and streets	4.0	3.0	-	-	4.0	3.0
Parks and recreation	4.7	4.0	-	-	4.7	4.0
Library	1.7	2.0	-	-	1.7	2.0
Community development	1.9	8.0	-	-	1.9	8.0
Interest expense	0.5	1.0	-	-	0.5	1.0
Water	-	-	8.4	7.0	8.4	7.0
Stormwater	-	-	0.4	-	0.4	-
Wastewater	-	-	8.8	9.0	8.8	9.0
Cable Television	-	-	10.8	12.0	10.8	12.0
Total expenses	41.9	49.0	28.4	29.0	70.3	77.0
Extraordinary Item	1.3	-	-	-	1.3	-
Increase (Decrease) in Net Assets	8.8	2.0	4.4	2.0	14.5	5.0
Beginning Net Assets	58.0	56.0	47.0	45.0	105.0	105.0
Ending Net Assets	\$ 66.8	\$ 58.0	\$ 51.4	\$ 47.0	\$ 119.5	\$ 110.0

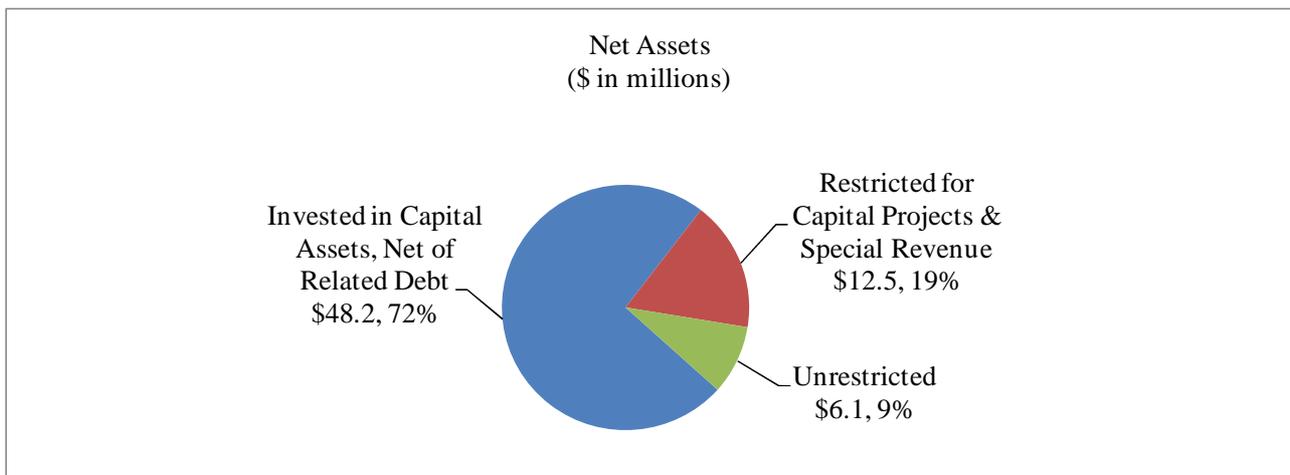
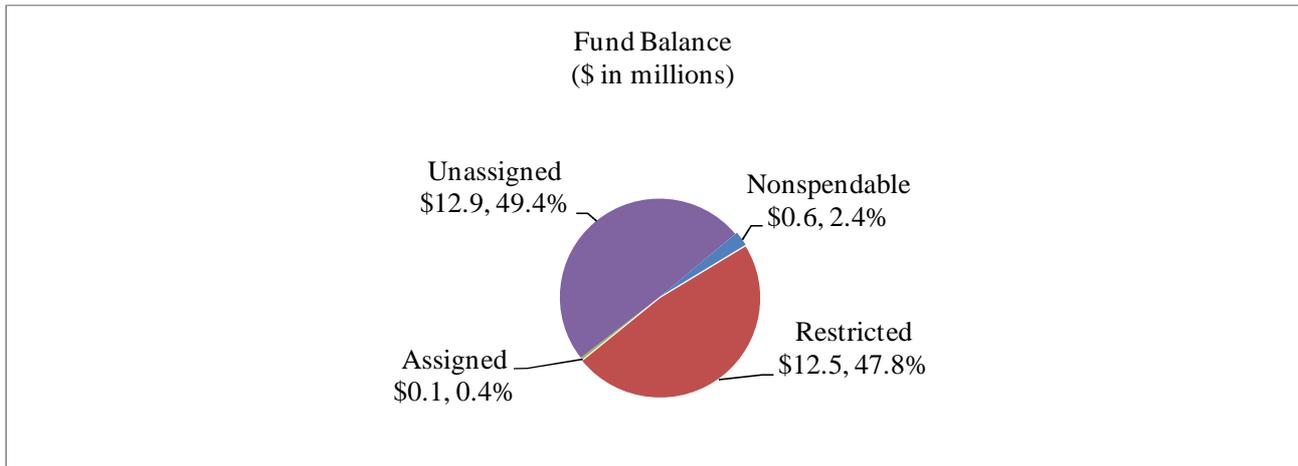
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

Governmental Activities

The cost of all Governmental activities this year was \$42.0 million. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City taxes (property taxes, transient occupancy taxes, sales taxes and other taxes) was only \$21.5 million because some of the cost was paid by those who directly benefited from the programs (\$8.2 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$10.4 million) for operations and (\$1.9 million) for capital. The City paid for the remaining "public benefit" portion of governmental activities with \$28.9 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:



CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

Total resources available during the year to finance governmental operations were \$49.4 million. This consisted of \$20.5 million in program revenues, \$28.9 million in general revenues net of transfers. Total governmental activities operating expenses during the year were \$42.0 million. Thus, net assets at July 1 2011 of \$58.0 million (after \$0.45 million adjustment) were increased by \$8.7 million to \$66.7 million by June 30, 2012.

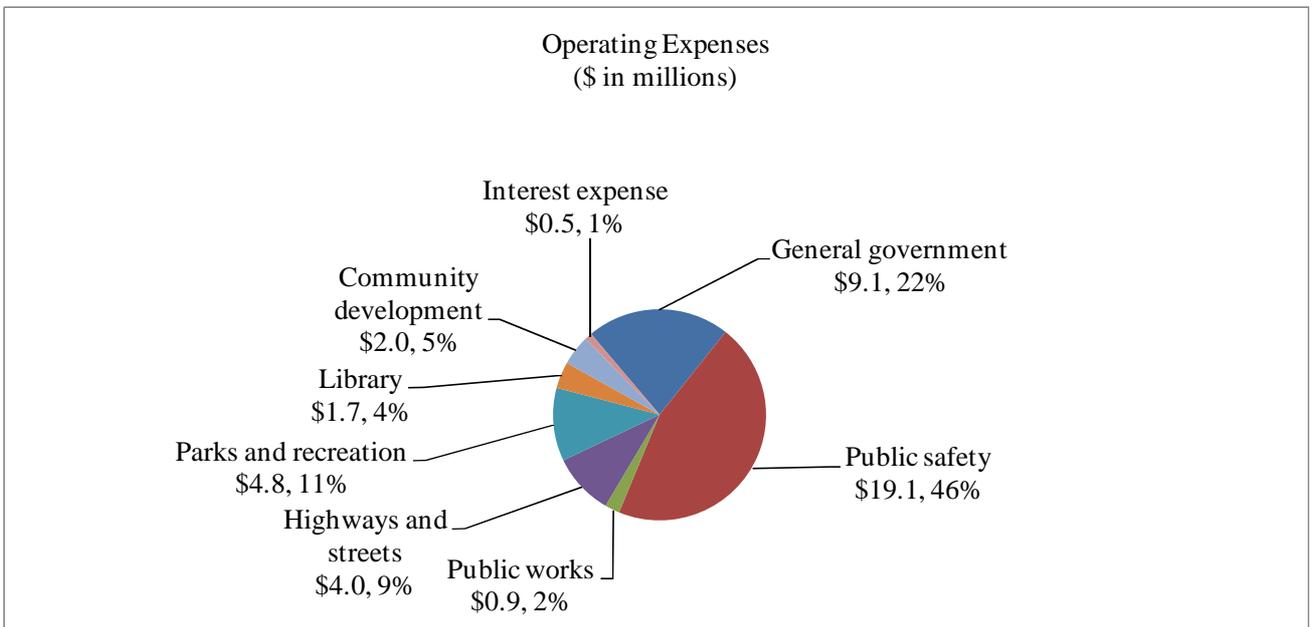
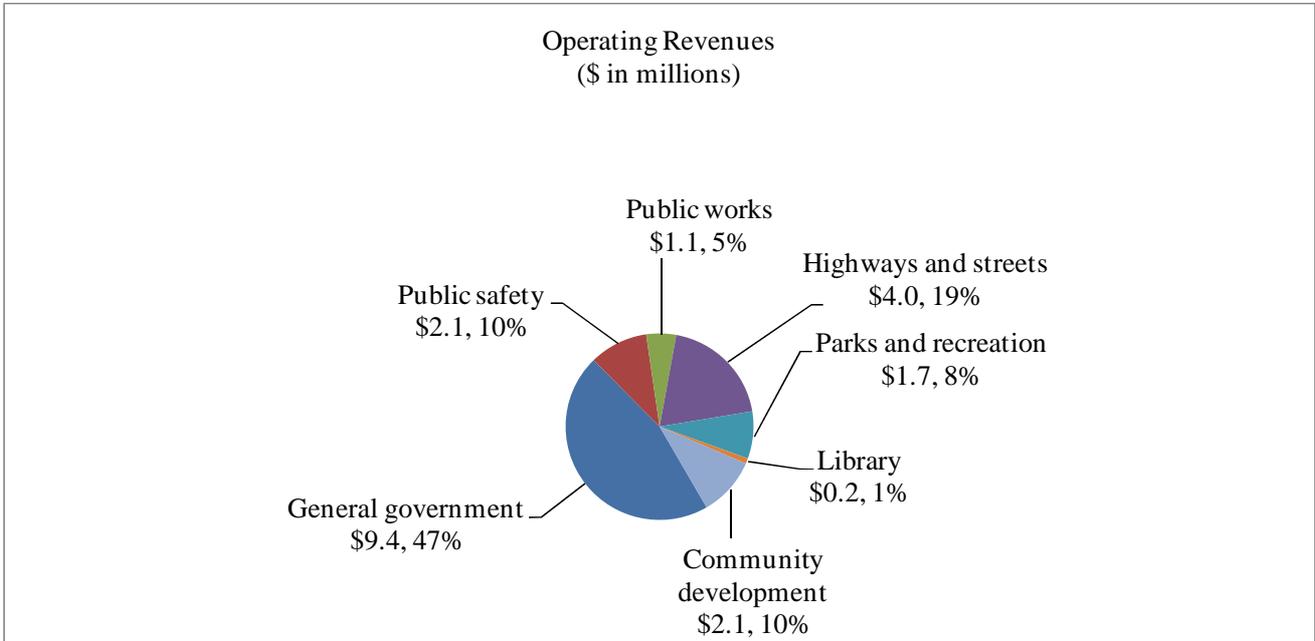
The City's programs include: general government, public safety, public works, highway and streets, parks and recreation, library, and community development. Each program's *net* cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that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

	Operating Revenues		Operating Expenses		Net (Expense) and Change in Net Assets	
	2012	2011	2012	2011	2012	2011
Governmental activities:						
General government	\$ 9,412,382	\$10,884,365	\$ 9,136,147	\$10,962,945	\$ 276,235	\$ (78,580)
Public safety	2,062,001	2,141,690	19,129,330	19,335,496	(17,067,329)	(17,193,806)
Public works	1,056,178	305,619	952,496	888,426	103,682	(582,807)
Highways and streets	3,992,475	2,460,360	3,967,555	3,394,204	24,920	(933,844)
Parks and recreation	1,681,729	1,659,335	4,698,243	4,219,718	(3,016,514)	(2,560,383)
Library	183,931	152,719	1,693,611	1,680,862	(1,509,680)	(1,528,143)
Community development	2,087,839	922,255	1,951,941	7,510,992	135,898	(6,588,737)
Interest expense	-	-	455,313	612,570	(455,313)	(612,570)
Total governmental activities	\$20,476,535	\$18,526,343	\$41,984,636	\$48,605,213	\$ (21,508,101)	\$ (30,078,870)

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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



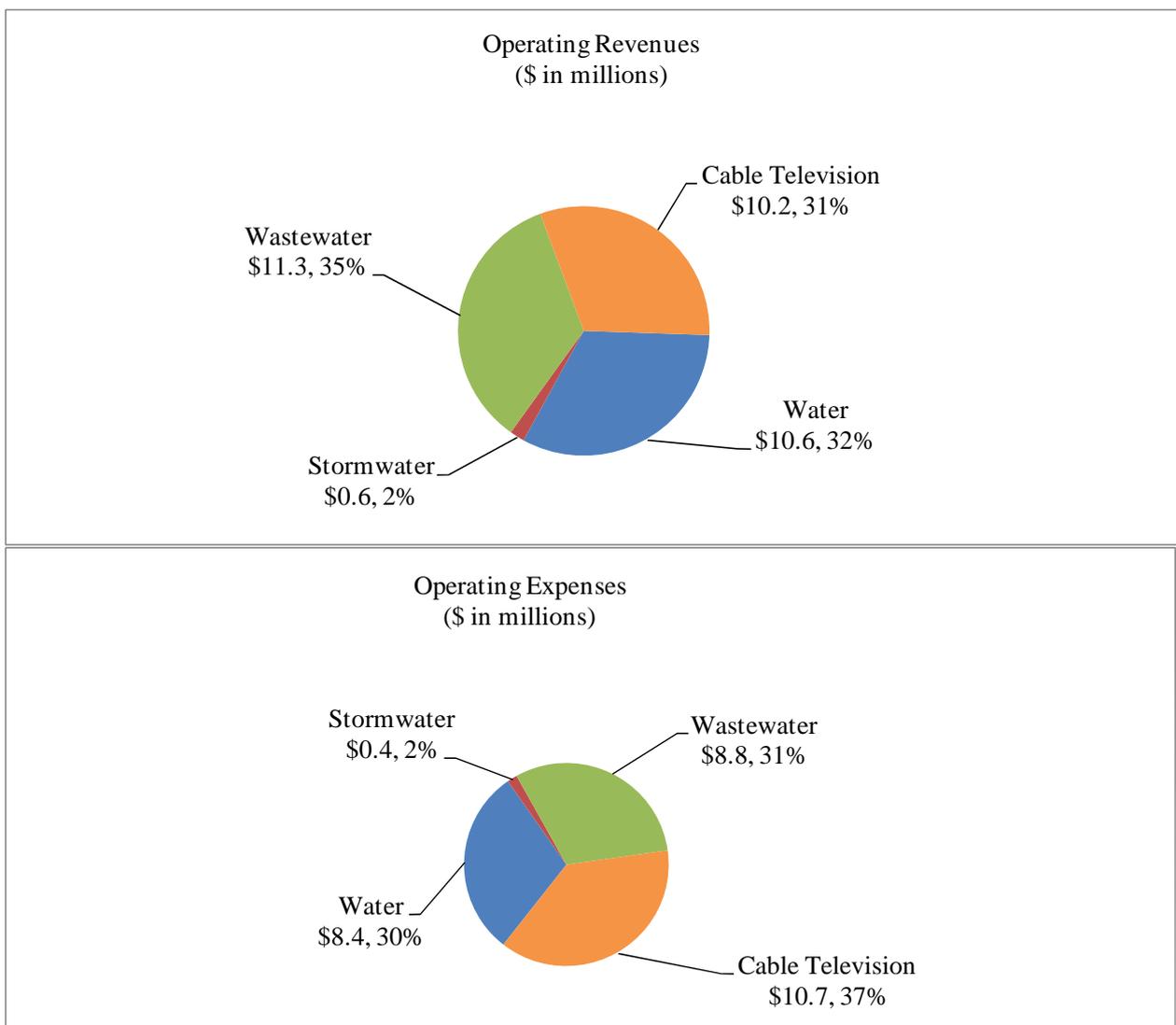
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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 \$79.5 million consisting of net assets at July 1, 2011, of \$46.8 million and program revenues, investment income, and transfers of \$32.7 million. Total business-type activities expenses during the year were \$28.4 million; thus, net assets were increased by \$4.5 million to \$51.3 million.

Operating revenues and expenses can be depicted graphically as follows:



CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

Each program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

	Operating Revenues		Operating Expenses		Net (Expense) and Change in Net Assets	
	2012	2011	2012	2011	2012	2011
	Business-type activities:					
Water	\$ 10,601,609	\$ 9,491,102	\$ 8,444,001	\$ 7,378,711	\$ 2,157,608	\$ 2,112,391
Stormwater	612,325	593,179	446,020	438,864	166,305	154,315
Wastewater	11,294,768	10,128,799	8,755,063	9,439,266	2,539,705	689,533
Cable Television	10,192,578	10,570,028	10,709,142	11,549,760	(516,564)	(979,732)
Total business-type activities	\$ 32,701,280	\$ 30,783,108	\$ 28,354,226	\$ 28,806,601	\$ 4,347,054	\$ 1,976,507

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, 2012, net capital assets of the governmental activities totaled \$48.4 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2011-12 fiscal year, capital assets for governmental activities increased by \$3.1 million due to additions in excess of depreciation. For the business-type activities, capital assets increased modestly by \$0.4 million to \$53.2 million due to additions in excess of depreciation expense. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
	Land	\$ 1,811,197	\$ 561,197	\$ 576,842	\$ 576,842	\$ 2,388,039
Construction in Progress	5,882,759	3,012,003	4,971,387	2,968,887	10,854,146	5,980,890
Infrastructure	29,850,719	30,347,921	-	-	29,850,719	30,347,921
Sewer Plant	-	-	15,664,678	16,263,033	15,664,678	16,263,033
Buildings & Structures	8,151,391	8,546,074	26,733,154	27,816,961	34,884,545	36,363,035
Machinery & Equipment	2,695,555	2,799,783	5,247,326	5,204,005	7,942,881	8,003,788
Total	\$ 48,391,621	\$ 45,266,978	\$ 53,193,387	\$ 52,829,728	\$ 101,585,008	\$ 98,096,706

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

Debt Administration

Debt, considered a liability of governmental activities, increased by \$3.3 million as a result of an OPEB liability increase of \$2.9 million, \$0.6 million for claims liability as well as the retirement of debt related to the 2000 Certificates of Participation and Capital Lease obligations amounting to \$240,000 and \$125,286 respectively. Compensated absences increased by \$138,192. Detailed information about long-term debt can be found in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the City Budget for fiscal year 2012-2013, the City Council and management used the following criteria:

The key assumptions in our revenue forecast were:

- Anticipation of a continuing moderate increase in sales tax and transient occupancy tax experienced during the 2011-12 fiscal year;
- Increase in property tax anticipated from the elimination of Redevelopment and the re-distribution of former tax increment funds to the City as regular property tax;
- Restoration of Community Oriented Policing Services (COPS) funding (\$100,000) in-lieu of Motor Vehicle License Fees (approximately \$130,000) as outlined in Senate Bill 89 effective in July 2011;
- Increase in Fire and Police revenues resulting from the shared services agreements with other agencies
- Receipt of building permit fees in the amount of \$150,000 from continuing home rebuilds in the Crestmoor/Glenview area devastated by the September 9, 2010 PG&E gas pipeline explosion
- Reduction of \$780,000 in allocations for General Administrative support provided to the former Redevelopment Agency and Low/Moderate Income Housing Program and a reduction of \$173,000 in annual interest paid to the City from the former Redevelopment Agency on outstanding advances;
- Water and wastewater rates increasing as part of the first year of a five-year rate increase adopted by the City Council in 2012-13.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

The adopted budget for all City funds for the new fiscal year of 2012-13 was \$92.8 million and is summarized as follows:

	FY 2012-13
General fund	\$ 32,678,786
Special revenue funds	7,159,982
Enterprise funds	25,549,955
Internal service funds	3,840,155
Capital projects	22,339,134
Total operations and projects	<u>91,568,012</u>
Debt service	<u>1,247,425</u>
Total budget	<u><u>\$ 92,815,437</u></u>

Budgeted Expenditures:

- The adopted General Fund Budget includes a reduction of \$280,597 or approximately a 1% decrease in budgeted expenditures, which is due to the City's continuing efforts to identify budget reductions whenever feasible.
- The capital improvement program for 2012-13 totals \$22,339,134. This amount includes significant funding for the Crestmoor Recovery Program, street rehabilitation and infrastructure improvements for the city's utility operations. The breakdown is as follows:

	FY 2012-13
Parks & Facilities	\$ 285,000
Crestmoor Recovery Program	9,370,917
Street Improvements	3,729,209
Water Enterprise	4,800,000
Wastewater Enterprise	3,158,880
Stormwater Enterprise	150,000
Cable Television	571,628
Technology	273,500
Total	<u><u>\$ 22,339,134</u></u>

A total of \$1,247,425 is set-aside to meet debt service obligations of the City. Of this amount, \$686,856 is budgeted in the general fund (non-departmental) and general debt service fund, \$522,213 is budgeted in the wastewater fund, and \$38,356 is budgeted in the cable fund.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

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

CITY OF SAN BRUNO, CALIFORNIA

STATEMENT OF NET ASSETS

JUNE 30, 2012

(With comparative totals for June 30, 2011)

	Governmental Activities	Business-Type Activities	Totals	
			2012	2011
ASSETS				
Current assets:				
Cash and investments	\$ 30,605,973	\$ 17,958,157	\$ 48,564,130	\$ 47,806,705
Cash and investments with fiscal agent	91,119	1,061,172	1,152,291	1,795,146
Receivables (net)	5,670,989	2,896,124	8,567,113	8,029,444
Internal balances	(548,535)	548,535	-	-
Total current assets	35,819,546	22,463,988	58,283,534	57,631,295
Noncurrent assets:				
Advances to other funds	2,977,033	-	2,977,033	-
Land held for resale	-	-	-	566,000
Deferred charges, net	-	217,853	217,853	228,745
Due from RDA Successor Trust Fund	7,680,000	-	7,680,000	-
Capital assets not being depreciated:				
Land	1,811,197	576,842	2,388,039	1,138,039
Construction in progress	5,882,759	4,971,387	10,854,146	5,980,890
Capital assets net of accumulated depreciation:				
Infrastructure	29,850,719	-	29,850,719	30,347,921
Buildings and improvements	8,151,391	42,397,832	50,549,223	52,626,068
Machinery and equipment	2,695,555	5,247,326	7,942,881	8,003,788
Total capital assets (net)	48,391,621	53,193,387	101,585,008	98,096,706
Total noncurrent assets	59,048,654	53,411,240	112,459,894	98,891,451
Total assets	94,868,200	75,875,228	170,743,428	156,522,746
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	5,369,660	2,717,354	8,087,014	8,311,394
Interest payable	165,983	361,937	527,920	553,660
Unearned revenue	234,632	777,387	1,012,019	994,636
Due within one year	1,483,121	1,884,108	3,367,229	3,827,596
Total current liabilities	7,253,396	5,740,786	12,994,182	13,687,286
Noncurrent liabilities:				
Due in more than one year	20,912,492	18,854,843	39,767,335	38,049,121
Total liabilities	28,165,888	24,595,629	52,761,517	51,736,407
NET ASSETS				
Invested in capital assets, net of related debt	48,151,315	32,968,582	81,119,897	67,688,185
Restricted for:				
Capital projects	2,255,417	-	2,255,417	669,175
Debt service	-	-	-	806,999
Measure A	1,109,997	-	1,109,997	-
Other special revenue	9,096,381	-	9,096,381	14,190,726
Unrestricted	6,089,202	18,311,018	24,400,220	21,431,254
Total net assets	\$ 66,702,312	\$ 51,279,600	\$ 117,981,912	\$ 104,786,339
Total liabilities and net assets	\$ 94,868,200	\$ 75,875,229	\$ 170,743,429	\$ 156,522,746

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

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CITY OF SAN BRUNO, CALIFORNIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

(With comparative totals for June 30, 2011)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,136,147	\$ 3,171,610	\$ 6,240,772	\$ -
Public safety	19,129,330	1,719,551	342,450	-
Public works	952,496	205,501	77,898	772,779
Highways and streets	3,967,555	9,474	2,858,347	1,124,654
Parks and recreation	4,698,243	1,182,386	499,343	-
Library	1,693,611	132,216	51,715	-
Community development	1,951,941	1,793,825	294,014	-
Interest expense	455,313	-	-	-
Total governmental activities	41,984,636	8,214,563	10,364,539	1,897,433
Business-type activities:				
Water	8,444,001	10,601,609	-	-
Stormwater	446,020	612,325	-	-
Wastewater	8,755,063	11,294,768	-	-
Cable television	10,709,142	10,192,578	-	-
Total business-type activities	28,354,226	32,701,280	-	-
Total primary government	\$ 70,338,862	\$ 40,915,843	\$ 10,364,539	\$ 1,897,433

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

Extraordinary Item (Note 17)

Change in net assets

Net assets - Beginning, as restated

Net assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets		Totals	
Governmental Activities	Business-Type Activities	2012	2011
\$ 276,235	\$ -	\$ 276,235	\$ (78,580)
(17,067,329)	-	(17,067,329)	(17,193,806)
103,682	-	103,682	(582,807)
24,920	-	24,920	(933,844)
(3,016,514)	-	(3,016,514)	(2,560,383)
(1,509,680)	-	(1,509,680)	(1,528,143)
135,898	-	135,898	(7,038,737)
(455,313)	-	(455,313)	(612,570)
(21,508,101)	-	(21,508,101)	(30,528,870)
-	2,157,608	2,157,608	2,112,391
-	166,305	166,305	154,315
-	2,539,705	2,539,705	689,533
-	(516,564)	(516,564)	(979,732)
-	4,347,054	4,347,054	1,976,507
(21,508,101)	4,347,054	(17,161,047)	(28,552,363)
5,641,633	-	5,641,633	5,035,244
3,607,372	-	3,607,372	8,900,038
2,183,947	-	2,183,947	1,763,680
1,941,385	-	1,941,385	1,916,659
6,861,036	-	6,861,036	6,498,220
1,572,708	-	1,572,708	1,531,232
2,028,635	-	2,028,635	1,632,802
3,255,434	-	3,255,434	3,374,101
1,788,884	147,344	1,936,228	2,028,657
28,881,034	147,344	29,028,378	32,680,633
(29,493)	29,493	-	-
28,851,541	176,837	29,028,378	32,680,633
1,328,242	-	1,328,242	-
8,671,682	4,523,891	13,195,573	4,128,270
58,030,630	46,755,709	104,786,339	100,658,069
\$ 66,702,312	\$ 51,279,600	\$ 117,981,912	\$ 104,786,339

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FUND FINANCIAL STATEMENTS

CITY OF SAN BRUNO, CALIFORNIA

BALANCE SHEET

JUNE 30, 2012

(With comparative totals for June 30, 2011)

	General	Redevelopment Agency		
		Special Revenue	Capital Projects	Debt Service
ASSETS				
Cash and investments	\$ 9,094,292	\$ -	\$ -	\$ -
Cash and investments with fiscal agent/trustee	-	-	-	-
Receivables:				
Taxes	902,714	-	-	-
Interest	56,355	-	-	-
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	-
Loans	624,274	-	-	-
Other	1,146,478	-	-	-
Due from other funds	4,702,891	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 16,527,004	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,559,953	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	234,632	-	-	-
Vacation and compensated absence obligation	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	2,794,585	-	-	-
Fund balances:				
Nonspendable	624,274	-	-	-
Restricted	-	-	-	-
Assigned	110,049	-	-	-
Unassigned	12,998,096	-	-	-
Total fund balances	13,732,419	-	-	-
Total liabilities and fund balances	\$ 16,527,004	\$ -	\$ -	\$ -

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

Measure A Transportation Tax	Street Improvement Capital Projects	Non Major Governmental Funds	2012	2011
\$ 1,109,997	\$ 1,528,474	\$ 11,303,945	\$ 23,036,708	\$ 25,555,004
-	-	-	-	650,065
-	-	29,736	932,450	996,152
-	-	2,682	59,037	89,083
-	-	-	-	11,859
-	-	9,344	9,344	250,414
-	-	-	624,274	1,191,478
-	26,111	2,865,316	4,037,905	2,563,771
-	-	-	4,702,891	5,164,993
-	-	-	-	566,000
\$ 1,109,997	\$ 1,554,585	\$ 14,211,023	\$ 33,402,609	\$ 37,038,819

\$ -	\$ 79,400	\$ 2,562,403	\$ 5,201,756	\$ 5,810,777
-	-	1,772,007	1,772,007	2,587,808
-	-	-	234,632	153,148
-	-	-	-	24,289
-	-	-	-	2,977,033
-	79,400	4,334,410	7,208,395	11,553,055

-	-	-	624,274	728,512
1,109,997	1,475,185	9,947,732	12,532,914	17,420,653
-	-	-	110,049	127,407
-	-	(71,119)	12,926,977	7,209,192
1,109,997	1,475,185	9,876,613	26,194,214	25,485,764
\$ 1,109,997	\$ 1,554,585	\$ 14,211,023	\$ 33,402,609	\$ 37,038,819

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total fund balances - total governmental funds	\$ 26,194,214
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.	48,391,621
Long-term debt to be repaid by the Redevelopment Successor Agency to the City is reported as a receivable on the Government-Wide Statement of Net Assets.	7,680,000
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	10,645,396
Accounts payable and accrued liabilities	(167,904)
Liability for claims	(2,190,469)
Compensated absences	(103,112)
Net amount allocated to business-type activities	(3,479,419)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	
Leases payable	(240,306)
Accrued interest payable	(165,983)
Certificates of participation	(7,680,000)
Compensated absences	(2,319,826)
Net OPEB obligation	<u>(9,861,900)</u>
Net assets of governmental activities	<u><u>\$ 66,702,312</u></u>

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

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE FUND BASIS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Governmental				
	Funds	Internal		Changes	Statement of
	Balance	Service	Eliminations	in GAAP	Net Assets
	Sheet	Balances	Reclassifications		
ASSETS					
Current assets:					
Cash and investments	\$ 23,036,708	\$ 7,569,265	\$ -	\$ -	\$ 30,605,973
Cash and investments with fiscal agent/trustee	-	91,119	-	-	91,119
Receivables (net)	5,663,010	7,979	-	-	5,670,989
Due from other funds	4,702,891	-	(4,702,891)	-	-
Internal balances	-	-	2,930,884	(3,479,419)	(548,535)
Total current assets	<u>33,402,609</u>	<u>7,668,363</u>	<u>(1,772,007)</u>	<u>(3,479,419)</u>	<u>35,819,546</u>
Noncurrent assets:					
Advances to other funds	-	2,977,033	-	-	2,977,033
Due from RDA Succesor Trust Fund	-	-	-	7,680,000	7,680,000
Capital assets not being depreciated:					
Land	-	-	-	1,811,197	1,811,197
Construction in progress	-	-	-	5,882,759	5,882,759
Capital assets net of accumulated depreciation:					
Infrastructure	-	-	-	29,850,719	29,850,719
Buildings and improvements	-	-	-	8,151,391	8,151,391
Machinery and equipment	-	-	-	2,695,555	2,695,555
Total noncurrent assets	<u>-</u>	<u>2,977,033</u>	<u>-</u>	<u>56,071,621</u>	<u>59,048,654</u>
Total assets	<u>\$ 33,402,609</u>	<u>\$ 10,645,396</u>	<u>\$ (1,772,007)</u>	<u>\$ 52,592,202</u>	<u>\$ 94,868,200</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 5,201,756	\$ 167,904	\$ -	\$ -	\$ 5,369,660
Due to other funds	1,772,007	-	(1,772,007)	-	-
Interest payable	-	-	-	165,983	165,983
Deferred revenue	234,632	-	-	-	234,632
Due within one year	-	-	-	281,409	281,409
Compensated absences	-	54,746	-	1,146,966	1,201,712
Total current liabilities	<u>7,208,395</u>	<u>222,650</u>	<u>(1,772,007)</u>	<u>1,594,358</u>	<u>7,253,396</u>
Noncurrent liabilities:					
Compensated absences	-	48,366	-	1,172,860	1,221,226
Due after one year	-	-	-	7,638,897	7,638,897
Liability for claims	-	2,190,469	-	-	2,190,469
Net OPEB obligation	-	-	-	9,861,900	9,861,900
Total noncurrent liabilities	<u>-</u>	<u>2,238,835</u>	<u>-</u>	<u>18,673,657</u>	<u>20,912,492</u>
Total liabilities	<u>7,208,395</u>	<u>2,461,485</u>	<u>(1,772,007)</u>	<u>20,268,015</u>	<u>28,165,888</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	48,151,315	48,151,315
Restricted for:					
Capital projects	2,255,417	-	-	-	2,255,417
Special revenue	10,206,378	-	-	-	10,206,378
Unrestricted (deficit)	13,732,419	8,183,911	-	(15,827,128)	6,089,202
Total net assets	<u>26,194,214</u>	<u>8,183,911</u>	<u>-</u>	<u>32,324,187</u>	<u>66,702,312</u>
Total liabilities and net assets	<u>\$ 33,402,609</u>	<u>\$ 10,645,396</u>	<u>\$ (1,772,007)</u>	<u>\$ 52,592,202</u>	<u>\$ 94,868,200</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
FOR THE YEAR ENDED JUNE 30, 2012**

(With comparative totals for June 30, 2011)

	Redevelopment Agency			
	General	Special Revenue	Capital Projects	Debt Service
REVENUES:				
Taxes	\$ 18,616,173	\$ 3,607,372	\$ -	\$ -
Licenses and permits	3,159,472	-	-	-
Intergovernmental	3,255,434	-	-	-
Charges for services	4,456,979	-	-	-
Fines and forfeitures	754,934	-	-	-
Use of money and property	1,677,401	14,850	110	19
Other revenues	3,548,348	-	-	-
Total revenues	35,468,741	3,622,222	110	19
EXPENDITURES:				
Current:				
General government	3,614,475	-	-	-
Public safety	19,169,609	-	-	-
Public works	899,159	-	-	-
Highways and streets	1,061,284	-	-	-
Parks and recreation	4,012,684	-	-	-
Library	1,607,253	-	-	-
Community development	1,301,692	563,381	38,500	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	206,797
Total expenditures	31,666,156	563,381	38,500	206,797
REVENUES OVER (UNDER) EXPENDITURES	3,802,585	3,058,841	(38,390)	(206,778)
OTHER FINANCING SOURCES (USES):				
Transfers in	578,251	-	-	380,415
Transfers out	(467,281)	(380,415)	-	-
Total other financing sources (uses)	110,970	(380,415)	-	380,415
Extraordinary item (Note 17)	-	(7,474,909)	1,863,787	(980,636)
Net change in fund balances	3,913,555	(4,796,483)	1,825,397	(806,999)
FUND BALANCES:				
Beginning of year, as restated (Note 16)	9,818,864	4,796,483	(1,825,397)	806,999
End of year	\$ 13,732,419	\$ -	\$ -	\$ -

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

Measure A Transportation Tax	Street Improvement Capital Projects	Non Major Governmental Funds	Totals	
			2012	2011
\$ 780,563	\$ -	\$ 1,260,931	\$24,265,039	\$27,705,514
-	-	515,235	3,674,707	2,182,177
-	973,686	582,516	4,811,636	4,102,933
-	122,891	68,203	4,648,073	4,249,436
-	-	5,051	759,985	739,033
8,397	8,458	79,649	1,788,884	1,909,612
-	28,078	5,832,819	9,409,245	10,199,227
<u>788,960</u>	<u>1,133,113</u>	<u>8,344,404</u>	<u>49,357,569</u>	<u>51,087,932</u>
-	-	4,045,276	7,659,751	7,733,633
-	-	31,388	19,200,997	18,630,659
-	-	55,391	954,550	827,163
4,000	1,603,327	751,683	3,420,294	2,442,621
-	-	232,487	4,245,171	4,106,814
-	-	27,989	1,635,242	1,669,374
-	-	-	1,903,573	7,730,597
-	-	2,154,326	2,154,326	699,463
-	-	365,592	365,592	574,031
-	-	12,909	219,706	651,882
<u>4,000</u>	<u>1,603,327</u>	<u>7,677,041</u>	<u>41,759,202</u>	<u>45,066,237</u>
<u>784,960</u>	<u>(470,214)</u>	<u>667,363</u>	<u>7,598,367</u>	<u>6,021,695</u>
-	80,000	1,533,358	2,572,024	3,696,045
-	-	(2,022,487)	(2,870,183)	(4,234,218)
-	80,000	(489,129)	(298,159)	(538,173)
-	-	-	(6,591,758)	-
<u>784,960</u>	<u>(390,214)</u>	<u>178,234</u>	<u>708,450</u>	<u>5,483,522</u>
<u>325,037</u>	<u>1,865,399</u>	<u>9,698,379</u>	<u>25,485,764</u>	<u>20,002,242</u>
<u>\$ 1,109,997</u>	<u>\$ 1,475,185</u>	<u>\$ 9,876,613</u>	<u>\$26,194,214</u>	<u>\$25,485,764</u>

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net change in fund balances- total governmental funds	\$ 708,450
Amounts reported for governmental activities in the Statement of Activities are different because:	
Long-term debt transferred to the Redevelopment Successor Agency from the City is not reported on the governmental funds but is recorded as an extraordinary transfers on the Statement of Activities.	7,920,000
Amounts received from the Redevelopment Successor Agency for reimbursement of debt payments are recorded as revenues but are removed from the governmental funds and reduce the receivable amount due from the Redevelopment Successor Agency.	(240,000)
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	6,512,471
Capital asset retirements	(436,594)
Depreciation expense	(2,951,234)
Net decrease from capital outlay expenses.	<u>3,124,643</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:	
Change in Net OPEB obligation	<u>(2,879,200)</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Capital lease obligation principal payments	665,592
Certificates of Participation principal payments	240,000
Proceeds from capital leases are recorded as revenue on the governmental funds statements but are recorded as a capital lease liability on the statement of net assets and do not impact the Statement of Activities.	(540,306)
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	4,699
Accrued compensated absences	(154,735)
Total	<u>(150,036)</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 \$12,332 attributed to governmental activities.	(177,461)
Change in net assets of governmental activities.	<u><u>\$ 8,671,682</u></u>

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

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE FUND BASIS STATEMENTS TO GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

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	\$ 7,441,603	\$ 154,735	\$ 480,495	\$ (1,871,644)	\$ 51,760	\$ 2,879,200	\$ 9,136,149
Public safety	19,200,997	-	262,383	(618,740)	284,690	-	19,129,330
Public works	954,550	-	(15,544)	(12,391)	25,881	-	952,496
Highways and streets	3,420,294	-	1,701,430	(1,188,677)	34,508	-	3,967,555
Parks and recreation	4,245,171	-	391,229	(127,950)	189,793	-	4,698,243
Library	1,635,242	-	21,602	(14,995)	51,762	-	1,693,611
Community development	1,903,573	-	22,487	-	25,881	-	1,951,941
Capital outlay	2,154,326	-	-	(2,154,326)	-	-	-
Debt service/Interest expense	585,298	(129,985)	-	-	-	-	455,313
Total governmental activities	<u>41,541,054</u>	<u>24,750</u>	<u>2,864,082</u>	<u>(5,988,723)</u>	<u>664,275</u>	<u>2,879,200</u>	<u>41,984,638</u>
Business-type activities:							
Water	8,366,358	-	-	-	77,643	-	8,444,001
Stormwater	385,631	-	-	-	60,389	-	446,020
Wastewater	8,737,809	-	-	-	17,254	-	8,755,063
Cable television	10,666,007	-	-	-	43,135	-	10,709,142
Total business-type activities	<u>28,155,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,421</u>	<u>-</u>	<u>28,354,226</u>
Total expenditures/expenses	<u>\$ 69,696,859</u>	<u>\$ 24,750</u>	<u>\$ 2,864,082</u>	<u>\$ (5,988,723)</u>	<u>\$ 862,696</u>	<u>\$ 2,879,200</u>	<u>\$ 70,338,864</u>

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

CITY OF SAN BRUNO, CALIFORNIA

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS**

JUNE 30, 2012

(With comparative totals for June 30, 2011)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$ 11,023,283	\$ 1,416,848	\$ 5,518,026
Cash and investments with fiscal agent/trustee	-	-	1,061,172
Accounts receivable	1,004,782	-	984,263
Total current assets	12,028,065	1,416,848	7,563,461
Noncurrent assets:			
Advance to Redevelopment Agency Obligation Retirement Fund	-	-	-
Deferred charges, net	-	-	217,853
Property, plant and equipment (net)	14,807,087	1,189,140	32,007,080
Total noncurrent assets	14,807,087	1,189,140	32,224,933
Total assets	\$ 26,835,152	\$ 2,605,988	\$ 39,788,394
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 900,411	\$ 913	\$ 1,253,090
Due to other funds	-	-	-
Interest payable	-	-	360,229
Unearned revenue	-	-	-
Compensated absences - current	62,920	-	68,233
Long term debt - due within one year	-	-	1,190,135
Total current liabilities	963,331	913	2,871,687
Noncurrent liabilities:			
Compensated absences - noncurrent	56,802	5,789	47,929
Long term debt - due in more than one year	-	-	18,160,416
Liability for claims - non-current	-	-	-
Other long-term liabilities	-	-	30,000
Total noncurrent liabilities	56,802	5,789	18,238,345
Total liabilities	1,020,133	6,702	21,110,032
Net Assets			
Invested in capital assets, net of related debt	14,807,087	1,189,140	12,656,529
Unrestricted (deficit)	11,007,932	1,410,146	6,021,833
Total net assets	25,815,019	2,599,286	18,678,362
Total liabilities and net assets	\$ 26,835,152	\$ 2,605,988	\$ 39,788,394
Reconciliation to government-wide statement of net assets:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 1,636,754	\$ 133,061	\$ 757,071
Net assets of business-type activities	\$ 27,451,773	\$ 2,732,347	\$ 19,435,433

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	
	2012	2011	2012	2011
\$ -	\$ 17,958,157	\$ 14,864,352	\$ 7,569,265	\$ 7,387,349
-	1,061,172	1,053,962	91,119	91,119
907,079	2,896,124	2,926,687	7,979	-
<u>907,079</u>	<u>21,915,453</u>	<u>18,845,001</u>	<u>7,668,363</u>	<u>7,478,468</u>
-	-	-	2,977,033	2,977,033
-	217,853	228,745	-	-
5,190,080	53,193,387	52,829,728	-	-
<u>5,190,080</u>	<u>53,411,240</u>	<u>53,058,473</u>	<u>2,977,033</u>	<u>2,977,033</u>
<u>\$ 6,097,159</u>	<u>\$ 75,326,693</u>	<u>\$ 71,903,474</u>	<u>\$ 10,645,396</u>	<u>\$ 10,455,501</u>
\$ 562,940	\$ 2,717,354	\$ 2,276,539	\$ 167,904	\$ 224,078
2,930,884	2,930,884	2,577,185	-	-
1,708	361,937	382,978	-	-
777,387	777,387	841,488	-	-
155,780	286,933	240,845	54,746	55,277
407,040	1,597,175	1,898,127	-	-
<u>4,835,739</u>	<u>8,671,670</u>	<u>8,217,162</u>	<u>222,650</u>	<u>279,355</u>
86,693	197,213	223,641	48,366	40,089
467,214	18,627,630	20,224,802	-	-
-	-	-	2,190,469	1,576,264
-	30,000	160,000	-	-
<u>553,907</u>	<u>18,854,843</u>	<u>20,608,443</u>	<u>2,238,835</u>	<u>1,616,353</u>
<u>5,389,646</u>	<u>27,526,513</u>	<u>28,825,605</u>	<u>2,461,485</u>	<u>1,895,708</u>
4,315,826	32,968,582	30,706,799	-	-
(3,608,312)	14,831,599	12,371,070	8,183,911	8,559,793
707,514	47,800,181	43,077,869	8,183,911	8,559,793
<u>\$ 6,097,160</u>	<u>\$ 75,326,694</u>	<u>\$ 71,903,474</u>	<u>\$ 10,645,396</u>	<u>\$ 10,455,501</u>
\$ 952,533	\$ 3,479,419	\$ 3,677,840		
<u>\$ 1,660,047</u>	<u>\$ 51,279,600</u>	<u>\$ 46,755,709</u>		

CITY OF SAN BRUNO, CALIFORNIA

PROPRIETARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

(With comparative totals for the year ended June 30, 2011)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 10,256,638	\$ -	\$ -
Sewer service charges	-	-	10,993,504
Cable television charges	-	-	-
Other service charges	87,452	556,965	283,114
Other operating revenue	257,519	55,360	18,150
Insurance cost allocation	-	-	-
Total operating revenues	10,601,609	612,325	11,294,768
OPERATING EXPENSES:			
Water supply	5,444,881	-	-
Distribution	2,573,905	268,440	-
Customer accounting	(318,631)	-	-
Treatment	-	-	6,539,668
Cable operations	-	-	-
Central garage	-	-	-
Insurance expenses	-	86,100	-
Equipment replacement	-	-	-
Technology support	-	-	-
Facilities maintenance	-	-	-
Depreciation and amortization	666,203	31,091	1,503,566
Total operating expenses	8,366,358	385,631	8,043,234
OPERATING INCOME (LOSS)	2,235,251	226,694	3,251,534
NONOPERATING REVENUES (EXPENSES):			
Investment income	86,652	14,204	46,488
Interest and debt service expenses	-	-	(694,575)
Total non-operating revenues (expenses), net	86,652	14,204	(648,087)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,321,903	240,898	2,603,447
Transfers in (out)	9,031	1,905	8,117
CHANGE IN NET ASSETS	2,330,934	242,803	2,611,564
NET ASSETS:			
Beginning of year, as originally reported	23,484,085	2,356,483	16,066,798
Beginning of year, as adjusted	23,484,085	2,356,483	16,066,798
End of year	\$ 25,815,019	\$ 2,599,286	\$ 18,678,362
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (77,643)	\$ (60,389)	\$ (17,254)
Change in net assets of business-type activities - End of year	\$ 2,253,291	\$ 182,414	\$ 2,594,310

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

Cable Television	Business Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
	Totals		Totals	
	2012	2011	2012	2011
\$ -	\$ 10,256,638	\$ 9,316,650	\$ -	\$ -
-	10,993,504	10,075,426	-	-
10,168,826	10,168,826	10,558,970	-	-
23,752	951,283	684,208	2,058,559	2,215,964
-	331,029	147,854	-	-
-	-	-	1,581,926	1,578,036
<u>10,192,578</u>	<u>32,701,280</u>	<u>30,783,108</u>	<u>3,640,485</u>	<u>3,794,000</u>
-	5,444,881	4,043,290	-	-
-	2,842,345	2,789,965	-	-
-	(318,631)	228,649	-	-
-	6,539,668	7,287,694	-	-
9,456,474	9,456,474	9,710,219	-	-
-	-	-	532,960	594,564
-	86,100	76,260	2,219,370	1,374,661
-	-	-	440,496	264,958
-	-	-	474,563	448,124
-	-	-	835,792	843,680
1,135,269	3,336,129	3,953,970	-	-
<u>10,591,743</u>	<u>27,386,966</u>	<u>28,090,047</u>	<u>4,503,181</u>	<u>3,525,987</u>
(399,165)	5,314,314	2,693,061	(862,696)	268,013
-	147,344	119,045	-	-
(74,264)	(768,839)	(837,160)	-	-
(74,264)	(621,495)	(718,115)	-	-
(473,429)	4,692,819	1,974,946	(862,696)	268,013
10,440	29,493	91,576	486,814	446,597
(462,989)	4,722,312	2,066,522	(375,882)	714,610
1,170,503	43,077,869	41,011,347	8,559,793	7,845,183
<u>1,170,503</u>	<u>43,077,869</u>	<u>41,011,347</u>	<u>8,559,793</u>	<u>7,845,183</u>
<u>\$ 707,514</u>	<u>\$ 47,800,181</u>	<u>\$ 43,077,869</u>	<u>\$ 8,183,911</u>	<u>\$ 8,559,793</u>
\$ (43,135)	\$ (198,421)	\$ 120,606		
<u>\$ (506,124)</u>	<u>\$ 4,523,891</u>	<u>\$ 2,187,128</u>		

CITY OF SAN BRUNO, CALIFORNIA

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

(With comparative totals for the year ended June 30, 2011)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	10,511,621	612,325	11,301,709
Cash payments to suppliers for goods and services	(5,610,985)	(89,381)	(4,968,233)
Cash payments to employees for services	(1,910,875)	(264,292)	(1,510,103)
Net cash provided by operating activities	2,989,761	258,652	4,823,373
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers received from other funds	-	-	-
Transfers paid to other funds	9,031	1,905	8,117
Net cash provided by noncapital financing activities	9,031	1,905	8,117
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,119,342)	(165,032)	(1,982,585)
Principal payments on long-term debt	-	-	(1,155,535)
Interest paid on long-term debt	-	-	(714,674)
Net cash (used) by capital and related financing activities	(1,119,342)	(165,032)	(3,852,794)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	86,652	14,204	46,488
Net increase (decrease) in cash and cash equivalents	1,966,102	109,729	1,025,184
CASH AND CASH EQUIVALENTS:			
Beginning of year	9,057,181	1,307,119	5,554,014
End of year	<u>\$ 11,023,283</u>	<u>\$ 1,416,848</u>	<u>\$ 6,579,198</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets			
Cash and investments	\$ 11,023,283	\$ 1,416,848	\$ 5,518,026
Cash and investments held by trustees	-	-	1,061,172
Total Cash and Cash Equivalents, End of Year	<u>\$ 11,023,283</u>	<u>\$ 1,416,848</u>	<u>\$ 6,579,198</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:			
Operating income (loss)	\$ 2,235,251	\$ 226,694	\$ 3,251,534
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation and amortization	666,203	31,091	1,503,566
(Increase) decrease in current assets:			
Accounts receivable	(89,988)	-	6,941
Prepaid items	-	-	10,892
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	174,970	927	161,942
Unearned revenue	-	-	-
Compensated absences	3,325	(60)	18,498
Other long-term liabilities	-	-	(130,000)
Increase (decrease) in claims liability - noncurrent	-	-	-
Net cash provided by operating activities	\$ 2,989,761	\$ 258,652	\$ 4,823,373

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	
	2012	2011	2012	2011
\$ -	\$ -	\$ -	\$ 3,632,506	\$ 3,795,710
10,242,087	32,667,742	30,632,826	-	-
(7,158,595)	(17,827,194)	(18,135,186)	(3,937,404)	(3,275,254)
(2,197,006)	(5,882,276)	(5,599,760)	-	-
886,486	8,958,272	6,897,880	(304,898)	520,456
353,699	353,699	129,214	484,543	628,173
10,440	29,493	91,576	2,271	(181,576)
364,139	383,192	220,790	486,814	446,597
(432,829)	(3,699,788)	(3,292,094)	-	-
(742,589)	(1,898,124)	(1,751,581)	-	-
(75,206)	(789,880)	(858,361)	-	-
(1,250,624)	(6,387,792)	(5,902,036)	-	-
-	147,344	119,045	-	-
1	3,101,016	1,335,679	181,916	967,053
-	15,918,314	14,582,635	7,478,468	6,511,415
\$ 1	\$ 19,019,330	\$ 15,918,314	\$ 7,660,384	\$ 7,478,468
\$ -	\$ 17,958,157	\$ 14,864,352	\$ 7,569,265	\$ 7,387,349
-	1,061,172	1,053,962	91,119	91,119
\$ -	\$ 19,019,329	\$ 15,918,314	\$ 7,660,384	\$ 7,478,468
\$ (399,165)	\$ 5,314,314	\$ 2,693,061	\$ (862,696)	\$ 268,013
1,135,269	3,336,129	3,953,970	-	-
113,610	30,563	(125,033)	(7,979)	1,710
-	10,892	10,892	-	-
102,976	440,815	201,847	(56,174)	155,257
(64,101)	(64,101)	(25,249)	-	-
(2,103)	19,660	28,392	7,746	(49,342)
-	(130,000)	160,000	-	-
-	-	-	614,205	144,818
\$ 886,486	\$ 8,958,272	\$ 6,897,880	\$ (304,898)	\$ 520,456

CITY OF SAN BRUNO, CALIFORNIA

**FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2012**

(With comparative totals for the year ended June 30, 2011)

	Redevelopment Agency Obligation Retirement Trust Fund		Agency Funds	
	2012	2012	2011	2011
ASSETS				
Cash and investments	\$ 5,450,841	\$ 69,208,411	\$ 404,972	
Cash and investments with fiscal agent/trustee	649,974	-	-	
Accounts receivable	-	402,488	500,644	
Loans	90,000	-	-	
Land held for resale	566,000	-	-	
Total assets	\$ 6,756,815	\$ 69,610,899	\$ 905,616	
LIABILITIES				
Accounts payable	\$ 757,777	\$ 69,563,383	\$ 844,131	
Other liabilities	-	47,516	61,485	
Long term obligation due to the City of San Bruno	7,680,000	-	-	
Advances from the City of San Bruno	2,977,033	-	-	
Total liabilities	11,414,810	\$ 69,610,899	\$ 905,616	
NET ASSETS				
Retricted net assets held in trust	(4,657,995)			
TOTAL LIABILITIES AND NET ASSETS	\$ 6,756,815			

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

CITY OF SAN BRUNO, CALIFORNIA

FIDUCIARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

	Redevelopment Agency Obligation Retirement Trust Fund 2012
ADDITIONS	
Administration allowance	\$ 416,341
Taxes	1,562,376
Other revenues	575,759
TOTAL ADDITIONS	2,554,476
DEDUCTIONS	
Community development	4,522,046
Administrative expenses	852,366
Interest and fiscal charges	291,669
Transfers out	218,148
TOTAL DEDUCTIONS	5,884,229
Extraordinary item (Note 17)	(1,328,242)
CHANGE IN NET ASSETS	(4,657,995)
NET ASSETS -Beginning of the year	-
NET ASSETS -End of the year	\$ (4,657,995)

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SAN BRUNO, CALIFORNIA

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FOR THE YEAR ENDED JUNE 30, 2012**

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CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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. Effective February 1, 2012, these funds were dissolved and their assets, liabilities and fund balances were transferred to the Redevelopment Agency Obligation Retirement Trust Fund.

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 FOR THE YEAR ENDED JUNE 30, 2012

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 FOR THE YEAR ENDED JUNE 30, 2012

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. The internal services funds are used to account for equipment servicing other funds, central garage, insurance programs, facilities maintenance and technology development. 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	6%
Public safety	33%
Public works	3%
Highways and streets	4%
Parks and recreation	22%
Library	6%
Community development	3%
Business-type activities:	
Water	9%
Stormwater	2%
Wastewater	7%
Cable	5%

Fiduciary Funds

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds, which are Project Development, Crestmoor Glenview Restitution 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 FOR THE YEAR ENDED JUNE 30, 2012

Trust Fund

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

Major and Non-Major Funds

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

Fund Type

Brief Description

Major:

General

Primary operating fund of the City: accounts for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds:

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.

Capital Projects Funds:

Redevelopment Agency

Accounts for the administration and management of the Agency's capital projects.

Street Improvement

Accounts for funds expended for street improvements.

Debt Service Funds:

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 FOR THE YEAR ENDED JUNE 30, 2012

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 2103, 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code.
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.
Emergency Disaster Fund	Accounts for funds to be used for disaster relief efforts.

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 FOR THE YEAR ENDED JUNE 30, 2012

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. Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the City.

Basis of Accounting

In the government-wide Statement of Net 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 FOR THE YEAR ENDED JUNE 30, 2012

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.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Interfund Receivables and Payables

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

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 10 for details of interfund transactions, including receivables and payables at year-end.

Receivables

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

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

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

Inventories

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. Policy has set the capitalization threshold for reporting capital assets at \$10,000 if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Gifts or contributions of capital assets are recorded at fair market value on the date donated. Public domain (infrastructure) general fixed assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems and are capitalized at \$100,000.

The accounting treatment of property, plant and equipment (Capital Assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible Capital Assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	10 – 50 years
Government buildings and structures	10 – 40 years
Equipment and furnishings	5 – 10 years
Water	5 – 40 years
Stormwater	5 – 40 years
Wastewater	5 – 40 years
Cable television	5 – 40 years

Fund Financial Statements

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

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.”

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through a city resolution as approved by the city council. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the city council or city manager may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the city council has provided otherwise in its commitment or assignment actions.

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

that they will be received in 60 days. Since the County utilizes the Teeter system of allocation, all property tax revenue is allocated to the City and accounted for as revenue in the fiscal year that it is levied.

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

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.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Budgetary Policies

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Budgets for the General, Major Redevelopment Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
4. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2012, 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 FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - CASH AND INVESTMENTS

	Maturity (in years)			Deposits	Fair Market Value
	Less than 1	1 to 2	2 to 3		
Cash equivalents and investment pooled					
Cash - Bank of America	\$ -	\$ -	\$ -	\$ 91,119	\$ 91,119
Cash - First National Bank	-	-	-	8,817,666	8,817,666
Petty cash	-	-	-	3,630	3,630
Total pooled cash	-	-	-	8,912,415	8,912,415
Interest obligations					
Black Rock Institutional Funds T-Funds (Union Bank)	1,061,172	-	-	-	1,061,172
County of San Mateo Investment Pool	15,876,881	-	-	-	15,876,881
Highmark US Government Money Market Fund (Union Bank)	4,192,145	-	-	-	4,192,145
State of California Local Agency Investment Fund	19,237,165	-	-	-	19,237,165
Federal Home Loan Banks (Union Bank)	2,008,160	1,019,590	1,999,990	-	5,027,740
Federal Home Loan Bank Bonds (Union Bank)	-	-	1,000,580	-	1,000,580
Federal National Mortgage Association (Union Bank)	-	-	1,000,610	-	1,000,610
WF Treasury Money Market (Wells Fargo)	13,774,985	-	-	-	13,774,985
US Treasury Bill (Wells Fargo)	54,975,019	-	-	-	54,975,019
Total pooled investments-interest obligations	<u>111,125,527</u>	<u>1,019,590</u>	<u>4,001,180</u>	<u>-</u>	<u>116,146,297</u>
Total cash equivalents and investment pooled	<u>\$111,125,527</u>	<u>\$ 1,019,590</u>	<u>\$ 4,001,180</u>	<u>\$ 8,912,415</u>	<u>\$ 125,058,712</u>
Amounts reported in:					
Governmental activities					\$ 30,730,157
Business-type activities					19,019,329
Fiduciary activities - Agency funds					75,309,226
Total					<u>\$ 125,058,712</u>

At June 30, 2012, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

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 – deposit: 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. The City is not exposed to significant custodial 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 FOR THE YEAR ENDED JUNE 30, 2012

Credit risk: As of June 30, 2012, the City's investments were rated AA+ 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 Types</u>	<u>Amount</u>
<i>AA+ rated:</i>	
<i>Available for Operations:</i>	
U.S. Government Agency Obligations	\$ 63,065,121
<i>Restricted:</i>	
Money Market Funds	17,967,130
<i>Not Rated:</i>	
County of San Mateo Investment Pool	15,876,881
California Local Agency Investment Funds	19,237,165
<i>Exempt from credit rate disclosure::</i>	
Demand Deposits	<u>8,912,415</u>
Total Cash and Investments	<u>\$125,058,712</u>

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

During the year ended June 30, 2012, 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
FOR THE YEAR ENDED JUNE 30, 2012**

During the year ended June 30, 2012, 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.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2012:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Taxes	\$ 932,450	\$ -	\$ -	\$ 932,450
Interest	59,037	-	-	59,037
Intergovernmental grants	9,344	-	-	9,344
Service charges	7,979	2,896,124	402,488	3,306,591
Loans	624,274	-	-	624,274
Expense reimbursements	4,037,905	-	-	4,037,905
	<u>\$ 5,670,989</u>	<u>\$ 2,896,124</u>	<u>\$ 402,488</u>	<u>\$ 8,969,601</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 4 - CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Nondepreciable:						
Land	\$ 1,811,197	\$ 561,197	\$ 576,842	\$ 576,842	\$ 2,388,039	\$ 1,138,039
Construction in progress	5,882,759	3,012,003	4,971,387	2,968,887	10,854,146	5,980,890
Depreciable property:						
Infrastructure, net	29,850,719	30,347,921	-	-	29,850,719	30,347,921
Sewer Plant	-	-	15,664,678	16,263,033	15,664,678	16,263,033
Building and improvements, net	8,151,391	8,546,074	26,733,154	27,816,961	34,884,545	36,363,035
Machinery and equipment, net	2,695,555	2,799,783	5,247,326	5,204,005	7,942,881	8,003,788
Total	\$48,391,621	\$45,266,978	\$53,193,387	\$52,829,728	\$101,585,008	\$98,096,706

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Capital asset activity for the year ended June 30, 2012 for governmental activities was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
GOVERNMENTAL ACTIVITIES:				
Cost of property				
Non-depreciable property				
Land:	\$ 561,197	\$ 1,250,000	\$ -	\$ 1,811,197
Construction in progress	3,012,003	3,299,718	(428,961)	5,882,760
Depreciable property:				
Infrastructure	67,982,013	1,188,677	-	69,170,690
Buildings and improvements	13,736,901	-	-	13,736,901
Machinery and equipment	9,242,130	774,076	(94,786)	9,921,420
Total cost	<u>94,534,244</u>	<u>6,512,471</u>	<u>(523,747)</u>	<u>100,522,968</u>
Accumulated depreciation				
Infrastructure	(37,634,092)	(1,685,880)	-	(39,319,972)
Buildings and improvements	(5,190,828)	(394,682)	-	(5,585,510)
Machinery and equipment	<u>(6,442,346)</u>	<u>(870,672)</u>	<u>87,153</u>	<u>(7,225,865)</u>
Total accumulated depreciation	<u>(49,267,266)</u>	<u>(2,951,234)</u>	<u>87,153</u>	<u>(52,131,347)</u>
Net Book Value				
Non-depreciable property				
Land:	561,197	1,250,000	-	1,811,197
Construction in progress	3,012,003	3,299,718	(428,961)	5,882,760
Depreciable property:				
Infrastructure	30,347,921	(497,203)	-	29,850,718
Buildings and improvements	8,546,073	(394,682)	-	8,151,391
Machinery and equipment	<u>2,799,784</u>	<u>(96,596)</u>	<u>(7,633)</u>	<u>2,695,555</u>
Net book value	<u>\$ 45,266,978</u>	<u>\$ 3,561,237</u>	<u>\$ (436,594)</u>	<u>\$ 48,391,621</u>

Depreciation expense for governmental activities for the year ended June 30, 2012 was as follows:

General government	\$ 480,495
Public safety	262,383
Public works	71,608
Highway and streets	1,701,430
Parks and recreation	391,229
Library	21,602
Community development	22,487
Total depreciation expense	<u>\$ 2,951,234</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Capital asset activity for the year ended June 30, 2012 for business-type activities was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
BUSINESS-TYPE ACTIVITIES:				
Cost of property				
Water				
Land	\$ 76,842	\$ -	\$ -	\$ 76,842
Construction in progress	1,528,188	794,848	-	2,323,036
Buildings and improvements	18,273,225	150,591	-	18,423,816
Machinery and equipment	3,202,256	173,901	(64,154)	3,312,003
Total cost	<u>23,080,511</u>	<u>1,119,340</u>	<u>(64,154)</u>	<u>24,135,697</u>
Stormwater				
Construction in progress	271,386	165,032	-	436,418
Buildings and improvements	685,610	-	-	685,610
Machinery and equipment	490,903	-	-	490,903
Total cost	<u>1,447,899</u>	<u>165,032</u>	<u>-</u>	<u>1,612,931</u>
Wastewater				
Construction in progress	1,169,313	1,042,619	-	2,211,932
Sewer plant	23,280,223	332,855	-	23,613,078
Buildings and improvements	16,877,373	-	-	16,877,373
Machinery and equipment	605,411	596,221	-	1,201,632
Total cost	<u>41,932,320</u>	<u>1,971,695</u>	<u>-</u>	<u>43,904,015</u>
Cable Television				
Land	500,000	-	-	500,000
Construction in progress	-	-	-	-
Buildings and improvements	3,030,888	-	-	3,030,888
Machinery and equipment	14,326,824	432,830	-	14,759,654
Total cost	<u>17,857,712</u>	<u>432,830</u>	<u>-</u>	<u>18,290,542</u>
Total cost of property	<u>\$ 84,318,442</u>	<u>\$ 3,688,897</u>	<u>\$ (64,154)</u>	<u>\$ 87,943,185</u>
Total Cost By Category				
Non-depreciable property				
Land:	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	2,968,887	2,002,499	-	4,971,386
Depreciable property:				
Sewer plant	23,280,223	332,855	-	23,613,078
Buildings and improvements	38,867,096	150,591	-	39,017,687
Machinery and equipment	18,625,394	1,202,952	(64,154)	19,764,192
Total cost	<u>\$ 84,318,442</u>	<u>\$ 3,688,897</u>	<u>\$ (64,154)</u>	<u>\$ 87,943,185</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Accumulated Depreciation for business-type activities was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Accumulated Depreciation				
Water				
Buildings and improvements	\$ (6,155,427)	\$ (577,130)	\$ -	\$ (6,732,557)
Machinery and equipment	<u>(2,571,136)</u>	<u>(89,073)</u>	<u>64,154</u>	<u>(2,596,055)</u>
Total	<u>(8,726,563)</u>	<u>(666,203)</u>	<u>64,154</u>	<u>(9,328,612)</u>
Stormwater				
Buildings and improvements	(23,746)	(20,409)	-	(44,155)
Machinery and equipment	<u>(368,954)</u>	<u>(10,682)</u>	<u>-</u>	<u>(379,636)</u>
Total	<u>(392,700)</u>	<u>(31,091)</u>	<u>-</u>	<u>(423,791)</u>
Wastewater				
Sewer plant	(7,017,188)	(931,210)	-	(7,948,398)
Buildings and improvements	(3,008,124)	(491,914)	-	(3,500,038)
Machinery and equipment	<u>(378,947)</u>	<u>(69,551)</u>	<u>-</u>	<u>(448,498)</u>
Total	<u>(10,404,259)</u>	<u>(1,492,675)</u>	<u>-</u>	<u>(11,896,934)</u>
Cable Television				
Buildings and improvements	(1,862,841)	(144,943)	-	(2,007,784)
Machinery and equipment	<u>(10,102,351)</u>	<u>(990,325)</u>	<u>-</u>	<u>(11,092,676)</u>
Total	<u>(11,965,192)</u>	<u>(1,135,268)</u>	<u>-</u>	<u>(13,100,460)</u>
Total accumulated depreciation	<u>\$ (31,488,714)</u>	<u>\$ (3,325,237)</u>	<u>\$ 64,154</u>	<u>\$ (34,749,797)</u>
Total Accumulated Depreciation By Category				
Depreciable property:				
Sewer plant	\$ (7,017,188)	\$ (931,210)	\$ -	\$ (7,948,398)
Buildings and improvements	(11,050,138)	(1,234,396)	-	(12,284,534)
Machinery and equipment	<u>(13,421,388)</u>	<u>(1,159,631)</u>	<u>64,154</u>	<u>(14,516,865)</u>
Total accumulated depreciation	<u>\$ (31,488,714)</u>	<u>\$ (3,325,237)</u>	<u>\$ 64,154</u>	<u>\$ (34,749,797)</u>
Net Book Value				
Non-depreciable property				
Land:	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	2,968,887	2,002,499	-	4,971,386
Depreciable property:				
Sewer plant	16,263,035	(598,355)	-	15,664,680
Buildings and improvements	27,816,958	(1,083,805)	-	26,733,153
Machinery and equipment	<u>5,204,006</u>	<u>43,321</u>	<u>-</u>	<u>5,247,327</u>
Total net book value	<u>\$ 52,829,728</u>	<u>\$ 363,660</u>	<u>\$ -</u>	<u>\$ 53,193,388</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Depreciation and amortization expense for business-type activities for the year ended June 30, 2012 was as follows:

Water	\$ 666,203
Stormwater	31,091
Wastewater	561,465
Cable television	<u>1,135,269</u>
Total depreciation expense	2,394,028
Wastewater - amortization	<u>931,210</u>
Total depreciation and amortization	<u>\$ 3,325,238</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2012:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 3,753,678	\$ 2,375,133	\$ 70,321,160	\$ 76,449,971
Deposits	511,405	112,599	15,317	639,321
Accrued payroll	1,104,577	-	-	1,104,577
Other accrued liabilities	-	229,622	32,199	261,821
Total	<u>\$ 5,369,660</u>	<u>\$ 2,717,354</u>	<u>\$ 70,368,676</u>	<u>\$ 78,455,690</u>

These amounts resulted in the following concentrations in payables:

Vendors 98% Deposits 1% Employees 1%

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due within one year
Governmental activities					
2000 Certificates of participation	\$ 7,920,000	\$ -	\$ (240,000)	\$ 7,680,000	\$ 250,000
Capital lease obligations	365,592	540,306	(665,592)	240,306	31,409
Compensated absences	2,284,746	474,112	(335,920)	2,422,938	1,201,712
Liability for claims	1,576,264	614,205	-	2,190,469	-
Other post employment benefits	6,982,700	3,796,900	(917,700)	9,861,900	-
Total governmental activities	<u>\$ 19,129,302</u>	<u>\$ 5,425,523</u>	<u>\$(2,159,212)</u>	<u>\$ 22,395,613</u>	<u>\$ 1,483,121</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Capital Lease Obligation

During August 2011, the City entered into a \$540,306 capital lease-purchase agreement with JP Morgan Chase Bank, N.A. to finance a fire truck. Principal and interest payments are due annually on September 15 with an interest rate of 2.95%.

Compensated Absences

Compensated absences at June 30, 2012, amounted to \$2,422,940 and \$484,147 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 \$2,190,469 (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
FOR THE YEAR ENDED JUNE 30, 2012**

The annual debt service requirements to maturity for all Governmental Activity amounts, except compensated absences and claims payable, at June 30, 2012, were as follows:

Year Ending June 30,	Governmental Activities				Totals	
	2000 Certificates of Participation		Capital Lease Obligations			
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 250,000	\$ 398,358	\$ 31,409	\$ 7,089	\$ 281,409	\$ 405,447
2014	260,000	386,357	32,336	6,162	292,336	392,519
2015	275,000	373,617	33,290	5,208	308,290	378,825
2016	285,000	359,868	34,271	4,227	319,271	364,095
2017	300,000	345,618	35,282	3,216	335,282	348,834
2018-2022	1,760,000	1,480,145	73,718	3,278	1,833,718	1,483,423
2023-2027	2,265,000	968,363	-	-	2,265,000	968,363
2028-2032	2,285,000	307,388	-	-	2,285,000	307,388
Total	<u>\$ 7,680,000</u>	<u>\$ 4,619,714</u>	<u>\$ 240,306</u>	<u>\$ 29,180</u>	<u>\$ 7,920,306</u>	<u>\$ 4,648,894</u>
Due with in one year	\$ 250,000	\$ 398,358	\$ 31,409	\$ 7,089	\$ 281,409	\$ 405,447
Due after one year	7,430,000	4,221,356	208,897	22,091	7,638,897	4,243,447
Total	<u>\$ 7,680,000</u>	<u>\$ 4,619,714</u>	<u>\$ 240,306</u>	<u>\$ 29,180</u>	<u>\$ 7,920,306</u>	<u>\$ 4,648,894</u>

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due within one year
Business-type activities:					
2002 Certificates of participation	\$ 8,260,000	\$ -	\$ (225,000)	\$ 8,035,000	\$ 235,000
Capital lease obligations	1,616,843	-	(742,589)	874,254	407,040
Compensated absences	464,486	65,803	(46,142)	484,147	286,933
Due to City of South San Francisco					
1993 Loan	558,566	-	(180,714)	377,852	186,134
1999 Loan	6,011,019	-	(433,264)	5,577,755	444,529
2007 Loan	5,676,501	-	(316,558)	5,359,943	324,472
Other long-term liabilities	160,000	-	(130,000)	30,000	-
Total business-type activities	<u>\$ 22,747,415</u>	<u>\$ 65,803</u>	<u>\$(2,074,267)</u>	<u>\$ 20,738,951</u>	<u>\$ 1,884,108</u>

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 FOR THE YEAR ENDED JUNE 30, 2012

Capital Lease Obligations

At June 30, 2012, Business-type Capital Lease Obligations consisted of the following:

	Balance July 01, 2011	Additions	Retirements	Balance June 30, 2012	Due within one year
Business-type activities:					
Cable TV set-top boxes	\$ 397,547	\$ -	\$ (397,547)	\$ -	\$ -
Commercial services	1,219,296	-	(345,044)	874,252	407,040
Total business-type activities	<u>\$ 1,616,843</u>	<u>\$ -</u>	<u>\$ (742,591)</u>	<u>\$ 874,252</u>	<u>\$ 407,040</u>

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%.

The annual debt service requirements to maturity for all Business-type Activity amounts, except compensated absences and claims payable, at June 30, 2012, were as follows:

Year Ending June 30,	Business-type Activities							
	2002 Certificates of Participation		Capital Lease Obligations		Due to South San Francisco		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 235,000	\$ 388,215	\$407,040	\$ 38,355	\$ 955,136	\$ 290,356	\$ 1,597,176	\$ 716,926
2014	245,000	378,492	430,267	15,129	980,389	265,102	1,655,656	658,723
2015	255,000	368,051	36,945	171	808,844	239,178	1,100,789	607,401
2016	265,000	356,803	-	-	829,533	218,489	1,094,533	575,292
2017	275,000	344,785	-	-	-	-	275,000	344,785
2018-2022	1,580,000	1,513,100	-	-	4,477,012	763,098	6,057,012	2,276,198
2023-2027	2,010,000	1,073,563	-	-	3,264,636	206,818	5,274,636	1,280,381
2028-2032	2,575,000	495,203	-	-	-	-	2,575,000	495,203
2033	595,000	15,247	-	-	-	-	595,000	15,247
Total	<u>\$ 8,035,000</u>	<u>\$ 4,933,459</u>	<u>\$ 874,252</u>	<u>\$ 53,655</u>	<u>\$ 11,315,550</u>	<u>\$ 1,983,041</u>	<u>\$ 20,224,802</u>	<u>\$ 6,970,156</u>
Due with in one year	\$ 235,000	\$ 388,215	\$407,040	\$ 38,355	\$ 955,136	\$ 290,356	\$ 1,597,176	\$ 716,926
Due after one year	7,800,000	4,545,244	467,212	15,300	10,360,414	1,692,685	18,627,626	6,253,230
Total	<u>\$ 8,035,000</u>	<u>\$ 4,933,459</u>	<u>\$ 874,252</u>	<u>\$ 53,655</u>	<u>\$ 11,315,550</u>	<u>\$ 1,983,041</u>	<u>\$ 20,224,802</u>	<u>\$ 6,970,156</u>

NOTE 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.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The City's share of operating expenses for 2011-12 was \$3,221,618 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 2011-12, the City paid \$1,579,943 to SSF for these improvements.

To finance the expansion of the water quality control plant, the State Water Resources Control Board issued loans directly to SSF totaling \$81,253,444 (\$8.8 million in October 1994, \$50.5 million in August 2003 and \$21.8 million in April 2007). Loan proceeds were disbursed as the projects progressed and debt service payments commenced one year after project completion. As a result of the joint ownership agreement, the City is obligated to SSF for its portion of the loans and are classified as Due to SSF as shown in Note 6. The City's portion that was financed through this agreement totaled \$19,170,177 depreciable and payable over a 25 year period.

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital investments				
Financed	\$ 19,170,177	\$ -	\$ -	\$ 19,170,177
Contributed	4,110,046	332,854	-	4,442,900
Total capital investments	<u>23,280,223</u>	<u>332,854</u>	<u>-</u>	<u>23,613,077</u>
Accumulated Depreciation				
Financed	(6,218,943)	(589,303)	-	(6,808,246)
Contributed	(798,245)	(341,907)	-	(1,140,152)
Total accumulated depreciation	<u>(7,017,188)</u>	<u>(931,210)</u>	<u>-</u>	<u>(7,948,398)</u>
Net Book Value				
Financed	12,951,234	(766,807)	-	12,184,427
Contributed	3,311,801	168,452	-	3,480,253
Total net book value	<u>\$ 16,263,035</u>	<u>\$ (598,355)</u>	<u>\$ -</u>	<u>\$ 15,664,680</u>

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

	SSF Original Loan	City's Share	SSF Loan Balance June 30, 2012	City's Share	City's Share %
1993 Capital Project State Water Resource Loan	\$ 8,842,852	\$ 2,918,141	\$ 1,145,007	\$ 377,852	33%
1999 Capital Project State Water Resource Loan	50,553,782	9,104,859	30,969,914	5,577,755	18%
2007 Capital Project State Water Resource Loan	21,856,810	7,147,177	16,391,262	5,359,943	33%
	<u>\$ 81,253,444</u>	<u>\$ 19,170,177</u>	<u>\$ 48,506,183</u>	<u>\$ 11,315,550</u>	

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - DEFICIT NET ASSETS/FUND BALANCES

Deficit net assets balances consisted of the following:

Non-major Fund:

Federal/State Grants Special Revenue Fund (\$70,399) will be funded through future revenue on cost-reimbursement grants.

NOTE 9 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following governmental funds had an excess of expenditures over appropriations:

Major Funds:

Measure A Fund (\$4,000), which was covered by current year revenues.

Redevelopment Capital Projects Fund (\$38,500), which was covered by the former Redevelopment Special Revenue Fund fund balance.

Non-major Funds:

Agency on Aging Special Revenue Fund (\$125,057), which was covered by current year revenues.

Gas Tax Special Revenue Fund (\$751,683), which was covered by current year revenues.

Police Asset Seizure Special Revenue Fund (\$8,013), which was covered by current year revenues and existing fund balance.

Restricted Donations Special Revenue Fund (\$73,347), which was covered by current year revenues.

Traffic Safety Special Revenue Fund (\$6,793), which was covered by current year revenues and existing fund balance.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 10 - INTERFUND TRANSACTIONS

Due to/from other funds

Due to and due from other funds consisted of the following as of June 30, 2012:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major Funds		
Governmental activities		
General fund	\$ 4,702,891	\$ -
Business-type activities		
Cable Television	-	2,930,884
Nonmajor Funds:		
Governmental activities		
Special revenue funds		
Emergency disaster	-	1,712,918
Agency on aging	-	1,830
Federal/State grants	-	57,259
Total	<u>\$ 4,702,891</u>	<u>\$ 4,702,891</u>

Due to and from balances are a result of uncollected amounts or unreimbursed costs to be received or paid within 60 days of year end.

Advances to/from other funds

The General Equipment Reserve Internal Service Fund has advanced the Redevelopment Agency Retirement Obligation Fund for the financing of Redevelopment operations, which will be repaid through future tax increment revenues.

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Fiduciary Funds		
Redevelopment Agency Obligation Retirement Trust Fund	\$ -	\$ 2,977,033
Nonmajor Funds:		
Governmental activities		
Internal service fund		
General equipment revolving	2,977,033	-
Total	<u>\$ 2,977,033</u>	<u>\$ 2,977,033</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Transfers In/Out other funds

Transfers consisted of the following at June 30, 2012:

Transfer From	Transfer To	Amount
General fund	Non-major governmental funds	\$ 183 a
	Water fund	9,031 a
	Stormwater fund	1,905 a
	Wastewater fund	8,117 a
	Cable TV fund	10,440 a
	Internal service funds	<u>437,605 a,b</u>
		<u>467,281</u>
Non-major governmental funds	General fund	360,103 a
	Street improvement capital projects	80,000 c
	Non-major governmental funds	1,533,175 c
	Internal service funds	<u>49,209 b</u>
		<u>2,022,487</u>
RDA obligation retirement trust fund	General fund	<u>218,148 a</u>
RDA Special Revenue fund	RDA debt service fund	<u>380,415 d</u>
Total funds transferred		<u><u>\$3,088,331</u></u>

Interfund transfers were principally used for the following purposes:

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

Transfers In/Out other funds

Transfers reflect amounts recorded in the General Fund, Special Revenue, Enterprise and Internal Service Funds for specific operating activities, shared capital projects or debt service and costs amongst funds, outlined as follows:

-The use of one-time revenues from administrative overhead received and associated with the Crestmoor (Glenview) disaster response reimbursement were used to cover additional medical premium costs. Funds totaling \$40,321 were transferred out of the General Fund Reserves to operating funds.

-General Fund divisions set aside funding annually in anticipation to replace major operating equipment. \$430,584 was transferred to the Equipment Reserve Fund and approved equipment replacements were paid from this account.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

-The Library Special Revenue Fund transfer of \$100,000 to the General Fund was to support library service operating expenditures. Revenues deposited in this fund come from the California State Library for resource sharing and inter-library loan cooperation. A small portion of funds in the amount of \$4,675 was also used for the installation of a wheelchair lift and security gate outside the library building.

-Other Special Revenue Funds such as Proposition 172 Safety Augmentation, Supplemental Law Enforcement Services (SLESF) and Area Agency on Aging supported General Fund public safety operations (\$186,000) and Senior Center nutrition and transportation programs (\$68,203). Federal and State grant funds assisted with the Library Homework Help Center staffing (\$5,900), external wheelchair lift installation (\$28,500) and the Fire Department's purchase of thermal imaging cameras (\$49,209) for faster decision making.

-A transfer of \$80,000 from the Gas Tax Fund and \$1,500,000 from the Park In-Lieu Fund were transferred to capital projects for the Commodore Drive pedestrian access improvements and to begin construction of the field and design to replace an existing electrical cabinet.

-The Redevelopment Operating Fund transferred \$207,321 to the Redevelopment Debt Service Fund for repayment of Series 2000 Certificates of Participation debt interest expense and administrative bank fees. After the dissolution of redevelopment agencies on February 1, 2012, debt funding was transferred to the Redevelopment Obligation Retirement Trust Fund to pay for the remaining interest and principal payments due during the fiscal year.

NOTE 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 per occurrence 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.

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.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the past three years.

Fiscal Year	Beginning of the Year	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of the Year
2011-2012	\$ 1,576,264	\$ 1,332,913	\$ (718,708)	\$ 2,190,469
2010-2011	1,431,446	491,671	(346,853)	1,576,264
2009-2010	1,843,282	649,227	(1,061,063)	1,431,446
2008-2009	1,345,147	1,388,318	(890,183)	1,843,282

NOTE 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 17.94% for miscellaneous employees, and 35.80% 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 \$5,086,910 for CALPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2009 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) 3.55% 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
FOR THE YEAR ENDED JUNE 30, 2012**

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. CALPERS unfunded actuarial accrued liability is being amortized as a percentage of projected payroll on a closed period basis over 30 years.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)		Percentage of APC Contributed	Net Pension Obligation
	Safety	Miscellaneous		
June 30, 2012	\$ 3,236,668	\$ 1,850,242	100%	\$ -
June 30, 2011	2,896,889	1,518,367	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.

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, 2010	\$ 86,182,562	\$ 69,676,239	\$ 16,506,323	80.85%	\$ 11,862,764	139.14%
June 30, 2009	81,938,381	66,592,530	15,345,851	81.27%	12,051,504	127.34%
June 30, 2008	73,892,565	63,208,726	10,683,839	85.54%	11,779,042	90.70%

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.

NOTE 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.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	115
Other participants fully eligible for benefits	40
Other participants not yet fully eligible for benefits	<u>178</u>
Total	<u><u>333</u></u>

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 2011-12, the City's estimated benefit payment was \$917,700 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	\$ 3,920,800
Interest on net OPEB obligation	279,300
Adjustment to annual required contribution	<u>(403,200)</u>
Annual OPEB cost (expense)	3,796,900
Contributions made (including premium paid)	<u>(917,700)</u>
Increase in net OPEB obligation	2,879,200
Net OPEB obligation, beginning of year	<u>6,982,700</u>
Net OPEB obligation, end of year	<u><u>\$ 9,861,900</u></u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 3,796,900	24.17%	\$ 9,861,900
6/30/2011	3,855,000	23.81%	6,982,700
6/30/2010	2,744,300	30.80%	3,939,400

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2012, was as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarial accrued liability (AAL)	\$ 46,746,800	\$ 41,558,300	\$ 41,558,300
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	46,746,800	41,558,300	41,558,300
Funded Ratio (actuarial value of plan Assets/AAL)	0%	0%	0%
Covered payroll (active plan members)	20,954,900	21,169,200	21,169,200
UAAL as a percentage of covered payroll	223%	196%	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 assumptions included (a) 4% of investment rate of return (net of administrative expenses) (b) a discount rate of 4% and (c) 7.75% to 4.5% health care trend.

The actuarial cost method used for determining the benefit obligations is the modified “Projected Unit Credit” 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 a healthcare cost trend rate of 5 percent for all benefit costs. The UAAL is being amortized using a level dollar method on a closed basis over 30 years.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

NOTE 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, 2012, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

NOTE 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.

NOTE 16 - RESTATEMENT TO THE FINANCIAL STATEMENTS

The City determined that \$450,000 in cash deposited into an escrow account should not have been reflected on the June 30, 2011 financial statements because the escrow cash was released to the contractor. As such, the beginning fund balance and the beginning net assets as of July 1, 2012 were restated to reflect that adjustment.

NOTE 17 – DISSOLUTION OF THE REDEVELOPEMENT AGENCY

General Discussion

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of San Bruno that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 31, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolutions.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Reconciliation of Extraordinary Gain (Loss)

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the reported loss recognized in the fund financial statements and the extraordinary loss reported in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds –	\$ 6,591,758
decrease to net assets of the fiduciary fund	
Long-term liabilities reported in the government-wide financial statements (decrease to net assets)	<u>(7,920,000)</u>
Total extraordinary loss reported in the fiduciary fund and the statement of activities	<u>\$ (1,328,242)</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 18 – CRESTMOOR GLENVIEW RESTITUTION FUND

In April 2012, the City of San Bruno received \$70 million in restitution funds (\$68.75 million in cash) from Pacific Gas & Electric Co. to aid the community's recovery from the explosion and fire that ripped through a neighborhood in the City on September 9, 2010. These funds are being held in an Agency fund by the City until a non-profit entity is established to manage the funds and determine how the restitution funds should be spent to benefit the community as a whole.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Variance w/ Amended Favorable/(Unfavorable)
REVENUES:				
Taxes	\$ 17,038,184	\$ 17,938,184	\$ 18,616,173	\$ 677,989
Licenses and permits	2,366,305	2,753,305	3,159,472	406,167
Intergovernmental	3,340,700	3,340,700	3,255,434	(85,266)
Charges for services	2,752,875	2,752,875	4,456,979	1,704,104
Fines and forfeitures	600,100	600,100	754,934	154,834
Use of money and property	1,805,000	1,805,000	1,677,401	(127,599)
Other revenues	3,704,513	3,509,483	3,548,348	38,865
Total revenues	<u>31,607,677</u>	<u>32,699,647</u>	<u>35,468,741</u>	<u>2,769,094</u>
EXPENDITURES:				
Current:				
General government	4,131,076	4,060,472	3,614,475	445,997
Public safety	19,281,845	19,329,608	19,169,609	159,999
Public works	672,541	676,065	899,159	(223,094)
Highways and streets	1,126,199	1,128,835	1,061,284	67,551
Parks and recreation	3,978,305	3,988,040	4,012,684	(24,644)
Library	1,660,473	1,670,940	1,607,253	63,687
Community development	1,084,125	1,445,681	1,301,692	143,989
Total expenditures	<u>31,934,564</u>	<u>32,299,641</u>	<u>31,666,156</u>	<u>633,485</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(326,887)</u>	<u>400,006</u>	<u>3,802,585</u>	<u>3,402,579</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	284,000	390,653	578,251	187,598
Transfers out	(430,584)	(467,281)	(467,281)	-
Total other financing sources (uses)	<u>(146,584)</u>	<u>(76,628)</u>	<u>110,970</u>	<u>187,598</u>
Net change in fund balances	<u>(473,471)</u>	<u>323,378</u>	<u>3,913,555</u>	<u>3,590,177</u>
FUND BALANCES:				
Beginning of year	9,818,864	9,818,864	9,818,864	-
End of year	<u>\$ 9,345,393</u>	<u>\$ 10,142,242</u>	<u>\$ 13,732,419</u>	<u>\$ 3,590,177</u>

See accompanying note to the required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
REDEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Variance with Amended Favorable/(Unfavorable)
REVENUES:				
Taxes	\$ 9,035,000	\$ 9,035,000	\$ 3,607,372	\$ (5,427,628)
Use of money and property	63,704	63,704	14,850	(48,854)
Total revenues	<u>9,098,704</u>	<u>9,098,704</u>	<u>3,622,222</u>	<u>(5,476,482)</u>
EXPENDITURES:				
Current:				
Community development	6,104,375	6,107,246	563,381	5,543,865
Debt service:				
Interest and fiscal charges	173,703	173,703	-	173,703
Total expenditures	<u>6,278,078</u>	<u>6,280,949</u>	<u>563,381</u>	<u>5,717,568</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,820,626</u>	<u>2,817,755</u>	<u>3,058,841</u>	<u>241,086</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,871	-	(2,871)
Transfers out	(652,138)	(777,138)	(380,415)	396,723
Total other financing sources	<u>(652,138)</u>	<u>(774,267)</u>	<u>(380,415)</u>	<u>393,852</u>
Extraordinary item (Note 17)	-	-	(7,474,909)	(7,474,909)
Net change in fund balances	<u>2,168,488</u>	<u>2,043,488</u>	<u>(4,796,483)</u>	<u>(6,839,971)</u>
FUND BALANCES:				
Beginning of year	4,796,483	4,796,483	4,796,483	-
End of year	<u>\$ 6,964,971</u>	<u>\$ 6,839,971</u>	<u>\$ -</u>	<u>\$ (6,839,971)</u>

See accompanying note to the required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
MEASURE A
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Variance with Amended Favorable/(Unfavorable)
REVENUES:				
Taxes	\$ -	\$ -	\$ 780,563	\$ 780,563
Use of money and property	-	-	8,397	8,397
Total revenues	<u>-</u>	<u>-</u>	<u>788,960</u>	<u>788,960</u>
EXPENDITURES:				
Current:				
Highways and streets	-	-	4,000	(4,000)
Net change in fund balances	<u>-</u>	<u>-</u>	<u>784,960</u>	<u>784,960</u>
FUND BALANCES:				
Beginning of year	325,037	325,037	325,037	-
End of year	<u>\$ 325,037</u>	<u>\$ 325,037</u>	<u>\$ 1,109,997</u>	<u>\$ 784,960</u>

See accompanying note to the required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2012

NOTE 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 re-appropriated and honored in the subsequent year.

***COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES***

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
MAJOR FUND – REDEVELOPMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Investment income	\$ -	\$ -	\$ 110	\$ 110
EXPENDITURES:				
Current:				
Community development	-	-	38,500	(38,500)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(38,390)	(38,390)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	125,000	-	(125,000)
Transfers out	-	(125,000)	-	125,000
Total other financing sources (uses)	-	-	-	-
Extraordinary item (Note 17)	-	-	1,863,787	1,863,787
Net change in fund balances	-	-	1,825,397	1,825,397
FUND BALANCES:				
Beginning of year	(1,825,397)	(1,825,397)	(1,825,397)	-
End of year	<u><u>\$(1,825,397)</u></u>	<u><u>\$(1,825,397)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,825,397</u></u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
MAJOR FUND – REDEVELOPMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Investment income	\$ -	\$ -	\$ 19	\$ 19
EXPENDITURES:				
Debt service:				
Principal	240,000	240,000	-	240,000
Interest	412,138	412,138	206,797	205,341
Total expenditures	652,138	652,138	206,797	445,341
REVENUES OVER (UNDER) EXPENDITURES	(652,138)	(652,138)	(206,778)	445,360
OTHER FINANCING SOURCES (USES):				
Transfers in	-	652,138	380,415	(271,723)
Extraordinary item	-	-	(980,636)	(980,636)
Net change in fund balances	(652,138)	-	(806,999)	(806,999)
FUND BALANCES:				
Beginning of year	806,999	806,999	806,999	-
End of year	\$ 154,861	\$ 806,999	\$ -	\$ (806,999)

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
MAJOR FUND – STREET IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 973,686	\$ 973,686
Investment income	-	-	8,458	8,458
Charges for services	-	-	122,891	122,891
Other revenues	-	-	28,078	28,078
Total revenues	<u>-</u>	<u>-</u>	<u>1,133,113</u>	<u>1,133,113</u>
EXPENDITURES:				
Current:				
Highways and streets	4,343,709	4,548,709	1,603,327	2,945,382
REVENUES OVER (UNDER) EXPENDITURES	(4,343,709)	(4,548,709)	(470,214)	4,078,495
OTHER FINANCING SOURCES (USES):				
Transfers in	-	205,000	80,000	(125,000)
Net change in fund balances	<u>(4,343,709)</u>	<u>(4,343,709)</u>	<u>(390,214)</u>	<u>3,953,495</u>
FUND BALANCES:				
Beginning of year	1,865,399	1,865,399	1,865,399	-
End of year	<u><u>\$(2,478,310)</u></u>	<u><u>\$(2,478,310)</u></u>	<u><u>\$ 1,475,185</u></u>	<u><u>\$ 3,953,495</u></u>

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CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue Funds				
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax	Library Special Revenue
ASSETS					
Cash and investments	\$ 3,534,308	\$ -	\$ -	\$ 1,147,694	\$ 368,560
Receivables:					
Taxes	-	-	-	29,736	-
Interest	-	-	-	-	-
Intergovernmental subventions	-	-	-	-	-
Intergovernmental grants	-	9,344	-	-	-
Other	-	-	100,000	-	-
Total assets	<u>\$ 3,534,308</u>	<u>\$ 9,344</u>	<u>\$ 100,000</u>	<u>\$ 1,177,430</u>	<u>\$ 368,560</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 1,890	\$ 113,140	\$ -	\$ -
Due to other funds	-	1,830	57,259	-	-
Total liabilities	<u>-</u>	<u>3,720</u>	<u>170,399</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	3,534,308	5,624	720	1,177,430	368,560
Unassigned	-	-	(71,119)	-	-
Total fund balances (deficits)	<u>3,534,308</u>	<u>5,624</u>	<u>(70,399)</u>	<u>1,177,430</u>	<u>368,560</u>
Total liabilities and fund balances	<u>\$ 3,534,308</u>	<u>\$ 9,344</u>	<u>\$ 100,000</u>	<u>\$ 1,177,430</u>	<u>\$ 368,560</u>

Special Revenue Funds			
Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ 68,155	\$ 11,277	\$ 20,858	\$ 185,918
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 68,155</u>	<u>\$ 11,277</u>	<u>\$ 20,858</u>	<u>\$ 185,918</u>
\$ -	\$ -	\$ -	\$ 210
-	-	-	-
-	-	-	210
68,155	11,277	20,858	185,708
-	-	-	-
<u>68,155</u>	<u>11,277</u>	<u>20,858</u>	<u>185,708</u>
<u>\$ 68,155</u>	<u>\$ 11,277</u>	<u>\$ 20,858</u>	<u>\$ 185,918</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, CONTINUED
AS OF JUNE 30, 2012**

	Special Revenue Funds			
	Restricted Donations	Streets	Traffic Safety	Emergency Disaster Fund
ASSETS				
Cash and investments	\$ 980,196	\$ 306,910	\$ 60,706	\$ 3,019,726
Receivables:				
Taxes	-	-	-	-
Interest	-	-	-	2,682
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	-
Other	12,650	-	-	2,727,871
Total assets	<u>\$ 992,846</u>	<u>\$ 306,910</u>	<u>\$ 60,706</u>	<u>\$ 5,750,279</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 22,100	\$ -	\$ -	\$ 1,580,863
Due to other funds	-	-	-	1,712,918
Total liabilities	<u>22,100</u>	<u>-</u>	<u>-</u>	<u>3,293,781</u>
Fund Balances:				
Restricted	970,746	306,910	60,706	2,456,498
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>970,746</u>	<u>306,910</u>	<u>60,706</u>	<u>2,456,498</u>
Total liabilities and fund balances	<u>\$ 992,846</u>	<u>\$ 306,910</u>	<u>\$ 60,706</u>	<u>\$ 5,750,279</u>

<u>Special Revenue</u>	<u>Capital Projects Funds</u>	<u>Debt Service</u>	<u>Non-major funds</u>	
			<u>Totals</u>	
<u>Total</u>	<u>General</u>	<u>General</u>	<u>2012</u>	<u>2011</u>
\$ 9,704,308	\$ 1,599,637	\$ -	\$ 11,303,945	\$ 10,785,731
29,736	-	-	29,736	30,889
2,682	-	-	2,682	3,569
-	-	-	-	11,859
9,344	-	-	9,344	79,414
<u>2,840,521</u>	<u>24,795</u>	<u>-</u>	<u>2,865,316</u>	<u>1,757,934</u>
<u>\$ 12,586,591</u>	<u>\$ 1,624,432</u>	<u>\$ -</u>	<u>\$ 14,211,023</u>	<u>\$ 12,669,396</u>
\$ 1,718,203	\$ 844,200	\$ -	\$ 2,562,403	\$ 383,209
<u>1,772,007</u>	<u>-</u>	<u>-</u>	<u>1,772,007</u>	<u>2,587,808</u>
<u>3,490,210</u>	<u>844,200</u>	<u>-</u>	<u>4,334,410</u>	<u>2,971,017</u>
9,167,500	780,232	-	9,947,732	9,716,735
<u>(71,119)</u>	<u>-</u>	<u>-</u>	<u>(71,119)</u>	<u>(18,356)</u>
<u>9,096,381</u>	<u>780,232</u>	<u>-</u>	<u>9,876,613</u>	<u>9,698,379</u>
<u>\$ 12,586,591</u>	<u>\$ 1,624,432</u>	<u>\$ -</u>	<u>\$ 14,211,023</u>	<u>\$ 12,669,396</u>

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax	Library Special Revenue
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 1,260,931	\$ -
Licenses and permits	294,000	-	-	-	-
Intergovernmental	-	106,001	166,368	-	20,334
Charges for services	-	68,203	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income (loss)	31,238	132	87	8,207	3,691
Other revenues	202,204	-	-	-	-
Total revenues	<u>527,442</u>	<u>174,336</u>	<u>166,455</u>	<u>1,269,138</u>	<u>24,025</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	16,582	-	-
Public works	-	-	-	-	-
Highways and streets	-	-	-	751,683	-
Parks and recreation	-	125,057	96,558	-	-
Library	-	-	21,749	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>125,057</u>	<u>134,889</u>	<u>751,683</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>527,442</u>	<u>49,279</u>	<u>31,566</u>	<u>517,455</u>	<u>24,025</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(1,500,000)	(68,203)	(83,609)	(80,000)	(104,675)
Total other financing sources and uses	<u>(1,500,000)</u>	<u>(68,203)</u>	<u>(83,609)</u>	<u>(80,000)</u>	<u>(104,675)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>(972,558)</u>	<u>(18,924)</u>	<u>(52,043)</u>	<u>437,455</u>	<u>(80,650)</u>
FUND BALANCES:					
Beginning of year	4,506,866	24,548	(18,356)	739,975	449,210
End of year	<u>\$ 3,534,308</u>	<u>\$ 5,624</u>	<u>\$ (70,399)</u>	<u>\$ 1,177,430</u>	<u>\$ 368,560</u>

Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	97,083	109,397	77,898
-	-	-	-
5,051	-	-	-
466	194	106	1,539
-	-	-	-
<u>5,517</u>	<u>97,277</u>	<u>109,503</u>	<u>79,437</u>
-	-	-	-
8,013	-	-	-
-	-	-	55,391
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>8,013</u>	<u>-</u>	<u>-</u>	<u>55,391</u>
<u>(2,496)</u>	<u>97,277</u>	<u>109,503</u>	<u>24,046</u>
-	-	-	183
-	(86,000)	(100,000)	-
-	(86,000)	(100,000)	183
(2,496)	11,277	9,503	24,229
70,651	-	11,355	161,479
<u>\$ 68,155</u>	<u>\$ 11,277</u>	<u>\$ 20,858</u>	<u>\$ 185,708</u>

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, 2012**

	Special Revenue Funds				Special Revenue
	Restricted Donations	Streets	Traffic Safety	Emergency Disaster Fund	Total
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,260,931
Licenses and permits	221,235	-	-	-	515,235
Intergovernmental	-	-	5,435	-	582,516
Charges for services	-	-	-	-	68,203
Fines and forfeitures	-	-	-	-	5,051
Investment income (loss)	7,827	1,970	444	11,297	67,198
Other revenues	45,759	-	-	4,433,576	4,681,539
Total revenues	<u>274,821</u>	<u>1,970</u>	<u>5,879</u>	<u>4,444,873</u>	<u>7,180,673</u>
EXPENDITURES:					
Current:					
General government	66,235	-	-	3,966,021	4,032,256
Public safety	-	-	6,793	-	31,388
Public works	-	-	-	-	55,391
Highways and streets	-	-	-	-	751,683
Parks and recreation	10,872	-	-	-	232,487
Library	6,240	-	-	-	27,989
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>83,347</u>	<u>-</u>	<u>6,793</u>	<u>3,966,021</u>	<u>5,131,194</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>191,474</u>	<u>1,970</u>	<u>(914)</u>	<u>478,852</u>	<u>2,049,479</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	183
Transfers out	-	-	-	-	(2,022,487)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,022,304)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>191,474</u>	<u>1,970</u>	<u>(914)</u>	<u>478,852</u>	<u>27,175</u>
FUND BALANCES:					
Beginning of year	779,272	304,940	61,620	1,977,646	9,069,206
End of year	<u>\$ 970,746</u>	<u>\$ 306,910</u>	<u>\$ 60,706</u>	<u>\$ 2,456,498</u>	<u>\$ 9,096,381</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2012	2011
\$	-	\$	-	\$ 1,260,931	\$ 1,071,708
	-		-	515,235	84,464
	-		-	582,516	728,832
	-		-	68,203	70,585
	-		-	5,051	4,311
	12,451		-	79,649	72,412
	<u>772,779</u>		<u>378,501</u>	<u>5,832,819</u>	<u>6,606,870</u>
	<u>785,230</u>		<u>378,501</u>	<u>8,344,404</u>	<u>8,639,182</u>
	13,020		-	4,045,276	3,814,641
	-		-	31,388	92,797
	-		-	55,391	58,710
	-		-	751,683	614,305
	-		-	232,487	149,984
	-		-	27,989	19,619
	-		-	-	231
	<u>2,154,326</u>		-	<u>2,154,326</u>	<u>699,463</u>
	-		365,592	365,592	349,031
	-		<u>12,909</u>	<u>12,909</u>	<u>29,471</u>
	<u>2,167,346</u>		<u>378,501</u>	<u>7,677,041</u>	<u>5,828,252</u>
	<u>(1,382,116)</u>		-	<u>667,363</u>	<u>2,810,930</u>
	1,533,175		-	1,533,358	667,720
	-		-	<u>(2,022,487)</u>	<u>(928,006)</u>
	<u>1,533,175</u>		-	<u>(489,129)</u>	<u>(260,286)</u>
	151,059		-	178,234	2,550,644
	<u>629,173</u>		-	<u>9,698,379</u>	<u>7,147,735</u>
\$	<u><u>780,232</u></u>	\$	-	<u><u>\$ 9,876,613</u></u>	<u><u>\$ 9,698,379</u></u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
IN-LIEU SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Licenses and permits	\$ 411,600	\$ 294,000	\$ (117,600)
Investment income	40,678	31,238	(9,440)
Other revenues	202,200	202,204	4
Total revenues	<u>654,478</u>	<u>527,442</u>	<u>(127,036)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,500,000)	(1,500,000)	-
Net change in fund balances	<u>(845,522)</u>	<u>(972,558)</u>	<u>(127,036)</u>
FUND BALANCES:			
Beginning of year	4,506,866	4,506,866	-
End of year	<u>\$ 3,661,344</u>	<u>\$ 3,534,308</u>	<u>\$ (127,036)</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

AGENCY ON AGING SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 110,278	\$ 106,001	\$ (4,277)
Charges for services	-	68,203	68,203
Investment income	351	132	(219)
Total revenues	<u>110,629</u>	<u>174,336</u>	<u>63,707</u>
EXPENDITURES:			
Parks and recreation	-	125,057	(125,057)
REVENUES OVER (UNDER) EXPENDITURES	110,629	49,279	(61,350)
OTHER FINANCING SOURCES (USES):			
Transfers out	-	(68,203)	(68,203)
Net change in fund balances	110,629	(18,924)	(129,553)
FUND BALANCES:			
Beginning of year	24,548	24,548	-
End of year	<u>\$ 135,177</u>	<u>\$ 5,624</u>	<u>\$ (129,553)</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

FEDERAL AND STATE SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 225,123	\$ 166,368	\$ (58,755)
Use of money and property	-	87	87
Total revenues	<u>225,123</u>	<u>166,455</u>	<u>(58,668)</u>
EXPENDITURES:			
Current:			
Parks and recreation	100,000	\$ 96,558	3,442
Library	24,100	21,749	2,351
Public safety	17,414	16,582	832
Total expenditures	<u>141,514</u>	<u>134,889</u>	<u>6,625</u>
REVENUES OVER (UNDER)	83,609	31,566	(52,043)
EXPENDITURES	83,609	31,566	(52,043)
OTHER FINANCING SOURCES (USES):			
Transfers out	(83,609)	(83,609)	-
Net change in fund balances	<u>-</u>	<u>(52,043)</u>	<u>(52,043)</u>
FUND BALANCES:			
Beginning of year	(18,356)	(18,356)	-
End of year	<u>\$ (18,356)</u>	<u>\$ (70,399)</u>	<u>\$ (52,043)</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

**GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 1,210,785	\$ 1,260,931	\$ 50,146
Investment income	3,187	8,207	5,020
Total revenues	<u>1,213,972</u>	<u>1,269,138</u>	<u>55,166</u>
EXPENDITURES:			
Current:			
Highways and streets	-	751,683	(751,683)
REVENUES OVER (UNDER)	<u>1,213,972</u>	<u>517,455</u>	<u>(696,517)</u>
EXPENDITURES			
OTHER FINANCING SOURCES (USES):			
Transfers out	(80,000)	(80,000)	-
Net change in fund balances	<u>1,133,972</u>	<u>437,455</u>	<u>(696,517)</u>
FUND BALANCES:			
Beginning of year	739,975	739,975	-
End of year	<u><u>\$ 1,873,947</u></u>	<u><u>\$ 1,177,430</u></u>	<u><u>\$ (696,517)</u></u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

LIBRARY SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 20,000	\$ 20,334	\$ 334
Investment income	6,008	3,691	(2,317)
Total revenues	<u>26,008</u>	<u>24,025</u>	<u>(1,983)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(104,675)	(104,675)	-
Net change in fund balances	<u>(78,667)</u>	<u>(80,650)</u>	<u>(1,983)</u>
FUND BALANCES:			
Beginning of year	449,210	449,210	-
End of year	<u>\$ 370,543</u>	<u>\$ 368,560</u>	<u>\$ (1,983)</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

POLICE ASSET SEIZURE SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Fines and forfeitures	\$ -	\$ 5,051	\$ 5,051
Investment income	-	466	466
Total revenues	<u>-</u>	<u>5,517</u>	<u>5,517</u>
EXPENDITURES:			
Public safety	-	8,013	(8,013)
REVENUES OVER (UNDER)			
EXPENDITURES	-	(2,496)	(2,496)
FUND BALANCES:			
Beginning of year	65,049	70,651	5,602
End of year	<u>\$ 65,049</u>	<u>\$ 68,155</u>	<u>\$ 3,106</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

SAFETY AUGMENTATION SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 86,000	\$ 97,083	\$ 11,083
Investment income	-	194	194
Total revenues	<u>86,000</u>	<u>97,277</u>	<u>11,277</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(86,000)	(86,000)	-
Net change in fund balances	-	11,277	11,277
FUND BALANCES:			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ 11,277</u>	<u>\$ 11,277</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

POLICE SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 100,000	\$ 109,397	\$ 9,397
Investment income	-	106	106
Total revenues	<u>100,000</u>	<u>109,503</u>	<u>9,503</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(100,000)	-
Net change in fund balances	<u>-</u>	<u>9,503</u>	<u>9,503</u>
FUND BALANCES:			
Beginning of year	11,355	11,355	-
End of year	<u>\$ 11,355</u>	<u>\$ 20,858</u>	<u>\$ 9,503</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL
SB 322 RECYCLING/LITTER CLEAN-UP SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 77,815	\$ 77,898	\$ 83
Investment income	1,454	1,539	85
Total revenues	<u>79,269</u>	<u>79,437</u>	<u>168</u>
EXPENDITURES:			
Current:			
Public works	106,562	55,391	51,171
REVENUES OVER (UNDER) EXPENDITURES	(27,293)	24,046	51,339
OTHER FINANCING SOURCES (USES):			
Transfers in	183	183	-
Net change in fund balances	<u>(27,110)</u>	<u>24,229</u>	<u>51,339</u>
FUND BALANCES:			
Beginning of year	161,479	161,479	-
End of year	<u>\$ 134,369</u>	<u>\$ 185,708</u>	<u>\$ 51,339</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

RESTRICTED DONATIONS SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Licenses and permits	\$ -	\$ 221,235	\$ 221,235
Investment income	-	7,827	7,827
Other revenues	-	45,759	45,759
Total revenues	-	274,821	274,821
EXPENDITURES:			
Current:			
General government	-	66,235	(66,235)
Parks and recreation	10,000	10,872	(872)
Library	-	6,240	(6,240)
Total expenditures	10,000	83,347	(73,347)
Net change in fund balances	(10,000)	191,474	201,474
FUND BALANCES:			
Beginning of year	779,272	779,272	-
End of year	\$ 769,272	\$ 970,746	\$ 201,474

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL
STREETS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Final</u>	<u>Actual</u>	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Investment income	\$ -	\$ 1,970	\$ 1,970
FUND BALANCES:			
Beginning of year	<u>304,940</u>	<u>304,940</u>	<u>-</u>
End of year	<u>\$ 304,940</u>	<u>\$ 306,910</u>	<u>\$ 1,970</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

TRAFFIC SAFETY SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ -	\$ 5,435	\$ 5,435
Investment income	-	444	444
Total revenues	<u>-</u>	<u>5,879</u>	<u>5,879</u>
EXPENDITURES:			
Current:			
Public safety	-	6,793	(6,793)
Net change in fund balances	<u>-</u>	<u>(914)</u>	<u>(914)</u>
FUND BALANCES:			
Beginning of year	61,620	61,620	-
End of year	<u>\$ 61,620</u>	<u>\$ 60,706</u>	<u>\$ (914)</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL
EMERGENCY DISASTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Investment income	\$ -	\$ 11,297	\$ 11,297
Other revenues	3,994,257	4,433,576	439,319
Total revenues	<u>3,994,257</u>	<u>4,444,873</u>	<u>450,616</u>
EXPENDITURES:			
General government	3,350,876	3,966,021	(615,145)
REVENUES OVER (UNDER) EXPENDITURES	643,381	478,852	(164,529)
FUND BALANCES:			
Beginning of year	1,977,646	1,977,646	-
End of year	<u>\$ 2,621,027</u>	<u>\$ 2,456,498</u>	<u>\$ (164,529)</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

CAPITAL PROJECTS FUND - GENERAL

FOR THE YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Investment income	\$ -	\$ 12,451	\$ 12,451
Other revenues	-	772,779	772,779
Total revenues	<u>-</u>	<u>785,230</u>	<u>785,230</u>
EXPENDITURES:			
Current:			
General government	39,420	13,020	26,400
Capital outlay	2,338,612	2,154,326	184,286
Total expenditures	<u>2,378,032</u>	<u>2,167,346</u>	<u>210,686</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,378,032)	(1,382,116)	995,916
OTHER FINANCING SOURCES (USES):			
Transfers in	1,533,175	1,533,175	-
Net change in fund balances	<u>(844,857)</u>	<u>151,059</u>	<u>995,916</u>
FUND BALANCES:			
Beginning of year	629,173	629,173	-
End of year	<u>\$ (215,684)</u>	<u>\$ 780,232</u>	<u>\$ 995,916</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET TO ACTUAL

**DEBT SERVICE FUND - GENERAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual	Variance w/Final Favorable (Unfavorable)
REVENUES:			
Other revenues	\$ 378,501	\$ 378,501	\$ -
EXPENDITURES:			
Debt service:			
Principal	365,592	365,592	-
Interest	12,909	12,909	-
Total expenditures	<u>378,501</u>	<u>378,501</u>	<u>-</u>
Net change in fund balances	-	-	-
FUND BALANCES:			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS**

JUNE 30, 2012

(With comparative totals for June 30, 2011)

	<u>Central Garage</u>	<u>Self- Insurance</u>	<u>General Equipment Revolving</u>
ASSETS			
Current assets:			
Cash and investments	\$ 483,260	\$ 2,194,327	\$ 3,412,573
Cash and investments held by trustees	-	91,119	-
Accounts receivable	-	-	-
Total current assets	<u>483,260</u>	<u>2,285,446</u>	<u>3,412,573</u>
Noncurrent assets:			
Advances to redevelopment agency	-	-	2,977,033
Total assets	<u>\$ 483,260</u>	<u>\$ 2,285,446</u>	<u>\$ 6,389,606</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 39,412	\$ 49,278	\$ 48,669
Compensated absences	-	-	-
Total current liabilities	<u>39,412</u>	<u>49,278</u>	<u>48,669</u>
Noncurrent liabilities:			
Compensated absences	9,158	-	-
Liability for claims	-	2,190,469	-
Total noncurrent liabilities	<u>9,158</u>	<u>2,190,469</u>	<u>-</u>
Total liabilities	<u>48,570</u>	<u>2,239,747</u>	<u>48,669</u>
NET ASSETS			
Unrestricted net assets	<u>434,690</u>	<u>45,699</u>	<u>6,340,937</u>
Total net assets	<u>434,690</u>	<u>45,699</u>	<u>6,340,937</u>
Total liabilities and net assets	<u>\$ 483,260</u>	<u>\$ 2,285,446</u>	<u>\$ 6,389,606</u>

Technology Development	Facilities Maintenance	Totals	
		2012	2011
\$ 489,826	\$ 989,279	\$ 7,569,265	\$ 7,387,349
-	-	91,119	91,119
7,979	-	7,979	-
<u>497,805</u>	<u>989,279</u>	<u>7,668,363</u>	<u>7,478,468</u>
-	-	2,977,033	2,977,033
<u>\$ 497,805</u>	<u>\$ 989,279</u>	<u>\$ 10,645,396</u>	<u>\$ 10,455,501</u>
\$ 8,965	\$ 21,580	\$ 167,904	\$ 224,078
-	54,746	54,746	55,277
<u>8,965</u>	<u>76,326</u>	<u>222,650</u>	<u>279,355</u>
33,339	5,869	48,366	40,089
-	-	2,190,469	1,576,264
<u>33,339</u>	<u>5,869</u>	<u>2,238,835</u>	<u>1,616,353</u>
<u>42,304</u>	<u>82,195</u>	<u>2,461,485</u>	<u>1,895,708</u>
455,501	907,084	8,183,911	8,559,793
<u>455,501</u>	<u>907,084</u>	<u>8,183,911</u>	<u>8,559,793</u>
<u>\$ 497,805</u>	<u>\$ 989,279</u>	<u>\$ 10,645,396</u>	<u>\$ 10,455,501</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET ASSETS**

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

(With comparative totals for the year ended June 30, 2011)

	Central Garage	Self- Insurance	General Equipment Revolving
OPERATING REVENUES:			
Charges for services	\$ 667,089	\$ -	\$ -
Insurance cost allocation	-	1,581,926	-
Total operating revenues	667,089	1,581,926	-
OPERATING EXPENSES:			
Central garage	532,960	-	-
Insurance premiums, claims and administration	-	2,219,370	-
Equipment	-	-	440,496
Technology	-	-	-
Facilities	-	-	-
Total operating expenses	532,960	2,219,370	440,496
OPERATING INCOME (LOSS)	134,129	(637,444)	(440,496)
NONOPERATING REVENUE (EXPENSE)			
Transfer from other funds	1,749	522	479,793
Transfer (to) other funds	-	-	-
Total non-operating revenue (expense)	1,749	522	479,793
CHANGE IN NET ASSETS	135,878	(636,922)	39,297
NET ASSETS:			
Beginning of year	298,812	682,621	6,301,640
End of year	\$ 434,690	\$ 45,699	\$ 6,340,937

Technology Development	Facilities Maintenance	Totals	
		2012	2011
\$ 478,461	\$ 913,009	\$ 2,058,559	\$ 2,215,964
-	-	1,581,926	1,578,036
<u>478,461</u>	<u>913,009</u>	<u>3,640,485</u>	<u>3,794,000</u>
-	-	532,960	594,564
-	-	2,219,370	1,374,661
-	-	440,496	264,958
474,563	-	474,563	448,124
-	835,792	835,792	843,680
<u>474,563</u>	<u>835,792</u>	<u>4,503,181</u>	<u>3,525,987</u>
<u>3,898</u>	<u>77,217</u>	<u>(862,696)</u>	<u>268,013</u>
1,566	3,184	486,814	628,173
-	-	-	(181,576)
<u>1,566</u>	<u>3,184</u>	<u>486,814</u>	<u>446,597</u>
5,464	80,401	(375,882)	714,610
<u>450,037</u>	<u>826,683</u>	<u>8,559,793</u>	<u>7,845,183</u>
<u>\$ 455,501</u>	<u>\$ 907,084</u>	<u>\$ 8,183,911</u>	<u>\$ 8,559,793</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2012

(With comparative totals for the year ended June 30, 2011)

	Central Garage	Self- Insurance	General Equipment Revolving
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 667,089	\$ 1,581,926	\$ -
Cash payments to suppliers for goods and services	(528,887)	(2,265,512)	(453,024)
Cash payments for loss claims	-	614,205	-
Net cash provided (used) by operating activities	138,202	(69,381)	(453,024)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers received from other funds	-	-	479,793
Transfers paid to other funds	1,749	522	-
Net cash provided by noncapital financing activities	1,749	522	479,793
Net increase in cash and cash equivalents	139,951	(68,859)	26,769
CASH AND CASH EQUIVALENTS:			
Beginning of year	343,309	2,354,305	3,385,804
End of year	<u>\$ 483,260</u>	<u>\$ 2,285,446</u>	<u>\$ 3,412,573</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Income (loss) from operations	\$ 134,129	\$ (637,444)	\$ (440,496)
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	1,765	(46,142)	(12,528)
Compensated absences	2,308	-	-
Increase (decrease) in claims liability - noncurrent	-	614,205	-
Net cash provided (used) by operating activities	\$ 138,202	\$ (69,381)	\$ (453,024)
Presentation in Statement of Net Assets:			
Cash and investments	\$ 483,260	\$ 2,194,327	\$ 3,412,573
Cash and investments held by trustees	-	91,119	-
Total Cash and Cash Equivalents, End of Year	\$ 483,260	\$ 2,285,446	\$ 3,412,573

Technology Development	Facilities Maintenance	Totals	
		2012	2011
\$ 470,482 (473,769) -	\$ 913,009 (830,417) -	\$ 3,632,506 (4,551,609) 614,205	\$ 3,795,710 (3,420,072) 144,818
<u>(3,287)</u>	<u>82,592</u>	<u>(304,898)</u>	<u>520,456</u>
1,566 -	3,184 -	484,543 2,271	628,173 (181,576)
<u>1,566</u> (1,721)	<u>3,184</u> 85,776	<u>486,814</u> 181,916	<u>446,597</u> 967,053
<u>491,547</u>	<u>903,503</u>	<u>7,478,468</u>	<u>6,511,415</u>
<u>\$ 489,826</u>	<u>\$ 989,279</u>	<u>\$ 7,660,384</u>	<u>\$ 7,478,468</u>
\$ 3,898 (7,979) 694 100 -	\$ 77,217 - 37 5,338 -	\$ (862,696) (7,979) (56,174) 7,746 614,205	\$ 268,013 1,710 155,257 (49,342) 144,818
<u>\$ (3,287)</u>	<u>\$ 82,592</u>	<u>\$ (304,898)</u>	<u>\$ 520,456</u>
\$ 489,826 -	\$ 989,279 -	\$ 7,569,265 91,119	\$ 7,387,349 91,119
<u>\$ 489,826</u>	<u>\$ 989,279</u>	<u>\$ 7,660,384</u>	<u>\$ 7,478,468</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS**

JUNE 30, 2012

(With comparative totals for the year ended June 30, 2011)

	Crestmoor Glenview Restitution Fund	Project Development	San Bruno Garbage Company	Totals	
				2012	2011
ASSETS					
Cash and investments	\$ 68,750,004	\$ 39,193	\$ 419,214	\$ 69,208,411	\$ 404,972
Accounts receivable	-	-	402,488	402,488	500,644
Total assets	\$ 68,750,004	\$ 39,193	\$ 821,702	\$ 69,610,899	\$ 905,616
LIABILITIES					
Accounts payable	\$ 68,750,004	\$ 630	\$ 812,749	\$ 69,563,383	\$ 844,131
Other liabilities	-	38,563	8,953	47,516	61,485
Total liabilities	\$ 68,750,004	\$ 39,193	\$ 821,702	\$ 69,610,899	\$ 905,616

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2012

(With comparative totals for the year ended June 30, 2011)

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$ 63,706	\$ 5,166,993	\$ (5,191,506)	\$ 39,193
Accounts receivable	-	-	-	-
Total assets	<u>\$ 63,706</u>	<u>\$ 5,166,993</u>	<u>\$ (5,191,506)</u>	<u>\$ 39,193</u>
LIABILITIES				
Accounts payable	\$ 7,435	\$ 5,068,035	\$ (5,074,840)	\$ 630
Other liabilities	56,271	5,193,001	(5,210,709)	38,563
Total liabilities	<u>\$ 63,706</u>	<u>\$ 10,261,036</u>	<u>\$ (10,285,549)</u>	<u>\$ 39,193</u>
SAN BRUNO GARBAGE COMPANY				
ASSETS				
Cash and investments	\$ 341,266	\$ 6,675,336	\$ (6,597,389)	\$ 419,213
Accounts receivable	500,644	6,685,984	(6,784,139)	402,489
Total assets	<u>\$ 841,910</u>	<u>\$ 13,361,320</u>	<u>\$ (13,381,528)</u>	<u>\$ 821,702</u>
LIABILITIES				
Accounts payable	\$ 836,696	\$ 11,990,559	\$ (12,014,506)	\$ 812,749
Other liabilities	5,214	3,739	-	8,953
Total liabilities	<u>\$ 841,910</u>	<u>\$ 11,994,298</u>	<u>\$ (12,014,506)</u>	<u>\$ 821,702</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS CONTINUED**

FOR THE YEAR ENDED JUNE 30, 2012

(With comparative totals for the year ended June 30, 2011)

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$ 63,706	\$ 5,166,993	\$ (5,191,506)	\$ 39,193
Accounts receivable	-	-	-	-
Total assets	<u>\$ 63,706</u>	<u>\$ 5,166,993</u>	<u>\$ (5,191,506)</u>	<u>\$ 39,193</u>
LIABILITIES				
Accounts payable	\$ 7,435	\$ 5,068,035	\$ (5,074,840)	\$ 630
Other liabilities	56,271	5,193,001	(5,210,709)	38,563
Total liabilities	<u>\$ 63,706</u>	<u>\$ 10,261,036</u>	<u>\$ (10,285,549)</u>	<u>\$ 39,193</u>
SAN BRUNO GARBAGE COMPANY				
ASSETS				
Cash and investments	\$ 341,266	\$ 6,675,336	\$ (6,597,389)	\$ 419,213
Accounts receivable	500,644	6,685,984	(6,784,139)	402,489
Total assets	<u>\$ 841,910</u>	<u>\$ 13,361,320</u>	<u>\$ (13,381,528)</u>	<u>\$ 821,702</u>
LIABILITIES				
Accounts payable	\$ 836,696	\$ 11,990,559	\$ (12,014,506)	\$ 812,749
Other liabilities	5,214	3,739	-	8,953
Total liabilities	<u>\$ 841,910</u>	<u>\$ 11,994,298</u>	<u>\$ (12,014,506)</u>	<u>\$ 821,702</u>
CRESTMoor GLENVIEW RESTITUTION FUND				
ASSETS				
Cash and investments	\$ -	\$ 68,750,004	\$ -	\$ 68,750,004
Accounts receivable	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 68,750,004</u>	<u>\$ -</u>	<u>\$ 68,750,004</u>
LIABILITIES				
Accounts payable	\$ -	\$ 68,750,004	\$ -	\$ 68,750,004
Other liabilities	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 68,750,004</u>	<u>\$ -</u>	<u>\$ 68,750,004</u>
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 404,972	\$ 80,592,333	\$ (11,788,895)	\$ 69,208,410
Accounts receivable	500,644	6,685,984	(6,784,139)	402,489
Total assets	<u>\$ 905,616</u>	<u>\$ 87,278,317</u>	<u>\$ (18,573,034)</u>	<u>\$ 69,610,899</u>
LIABILITIES				
Accounts payable	\$ 844,131	\$ 85,808,598	\$ (17,089,346)	\$ 69,563,383
Other liabilities	61,485	5,196,740	(5,210,709)	47,516
Total liabilities	<u>\$ 905,616</u>	<u>\$ 91,005,338</u>	<u>\$ (22,300,055)</u>	<u>\$ 69,610,899</u>

STATISTICAL SECTION

CITY OF SAN BRUNO, CALIFORNIA

NET ASSETS BY COMPONENT LAST EIGHT FISCAL YEARS

(Fiscal years ended June 30)

	2005 *	2006	2007	2008
Governmental activities				
Invested in capital assets, net of related debt	\$ 11,767,003	\$ 13,980,909	\$ 36,889,081	\$ 37,073,294
Restricted	3,295,653	2,790,614	763,192	797,313
Unrestricted	5,146,203	10,409,480	17,200,880	18,670,800
Total governmental activities net assets	\$ 20,208,859	\$ 27,181,003	\$ 54,853,153	\$ 56,541,407
Business-type activities				
Invested in capital assets, net of related debt	\$ 19,803,889	\$ 18,694,375	\$ 26,319,885	\$ 22,821,582
Unrestricted	18,714,365	19,953,475	12,200,816	19,943,521
Total business-type activities net assets	\$ 38,518,254	\$ 38,647,850	\$ 38,520,701	\$ 42,765,103
Primary government				
Invested in capital assets, net of related debt	\$ 31,570,892	\$ 32,675,284	\$ 63,208,966	\$ 59,894,876
Restricted	3,295,653	290,614	763,192	797,313
Unrestricted	23,860,568	30,362,955	29,401,696	38,614,321
Total primary government net assets	\$ 58,727,113	\$ 63,328,853	\$ 93,373,854	\$ 99,306,510
	2009	2010	2011	2012
Governmental activities				
Invested in capital assets, net of related debt	\$ 38,094,423	\$ 38,157,248	\$ 36,981,386	\$ 48,151,315
Restricted	805,664	11,757,369	15,666,900	11,351,798
Unrestricted	17,282,898	6,174,871	5,382,344	6,089,202
Total governmental activities net assets	\$ 56,182,985	\$ 56,089,488	\$ 58,480,630	\$ 65,592,315
Business-type activities				
Invested in capital assets, net of related debt	\$ 29,548,513	\$ 29,617,094	\$ 30,706,799	\$ 32,968,582
Unrestricted	13,642,293	14,951,487	16,048,910	18,311,018
Total business-type activities net assets	\$ 43,190,806	\$ 44,568,581	\$ 46,755,709	\$ 51,279,600
Primary government				
Invested in capital assets, net of related debt	\$ 67,642,936	\$ 67,774,342	\$ 67,688,185	\$ 81,119,897
Restricted	805,664	11,757,369	15,666,900	11,351,798
Unrestricted	30,925,191	21,126,358	21,431,254	24,400,220
Total primary government net assets	\$ 99,373,791	\$ 100,658,069	\$ 104,786,339	\$ 116,871,915

*Data not available prior to 2005

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS (Fiscal years ended June 30,)

	2005 *	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental activities:								
General government	\$ 4,133,776	\$ 4,056,039	\$ 3,086,818	\$ 680,412	\$ 5,879,731	\$ 5,757,945	\$ 10,962,945	\$ 9,136,147
Public safety	15,156,170	16,143,674	17,005,014	21,497,158	19,625,779	19,593,501	19,335,496	19,129,330
Public works	491,059	679,486	1,017,450	1,766,933	1,256,060	862,049	888,426	952,496
Highways and streets	3,077,663	2,699,804	4,330,591	5,993,182	5,391,549	4,864,060	3,394,204	3,967,555
Parks and recreation	3,601,010	3,585,800	4,226,636	4,805,202	4,760,291	4,393,495	4,219,718	4,698,243
Library	1,561,654	1,665,597	1,627,219	2,076,155	1,890,435	1,757,550	1,680,862	1,693,611
Community development	3,804,765	3,858,037	3,027,355	5,727,039	7,030,845	9,180,082	7,960,992	1,951,941
Interest expense	516,465	557,964	575,021	553,486	665,517	672,458	612,570	455,313
Total governmental activities expenses	<u>32,342,562</u>	<u>33,246,401</u>	<u>34,896,104</u>	<u>43,099,567</u>	<u>46,500,207</u>	<u>47,081,140</u>	<u>49,055,213</u>	<u>41,984,636</u>
Business-type activities:								
Water	5,952,302	6,893,587	6,868,405	5,857,761	7,341,657	6,919,121	7,378,711	8,444,001
Stormwater	294,261	467,043	502,802	(171,906)	687,278	386,608	438,864	446,020
Wastewater	5,868,174	6,084,873	6,904,217	7,859,491	8,054,907	7,987,591	9,439,266	8,755,063
Cable Television	7,977,905	8,055,100	9,489,656	9,324,247	10,700,667	11,452,012	11,549,760	10,709,142
Total business-type activities expenses	<u>20,092,642</u>	<u>21,500,603</u>	<u>23,765,080</u>	<u>22,869,593</u>	<u>26,784,509</u>	<u>26,745,332</u>	<u>28,806,601</u>	<u>28,354,226</u>
Total primary government expenses	<u>\$ 52,435,204</u>	<u>\$ 54,747,004</u>	<u>\$ 58,661,184</u>	<u>\$ 65,969,160</u>	<u>\$ 73,284,716</u>	<u>\$ 73,826,472</u>	<u>\$ 77,861,814</u>	<u>\$ 70,338,862</u>
Program revenues								
Governmental activities:								
Charges for services:								
General government	\$ 2,680,758	\$ 3,030,230	\$ 2,913,631	\$ 5,102,298	\$ 2,100,780	\$ 3,831,697	\$ 3,397,195	\$ 3,171,610
Public safety	834,458	1,042,823	1,405,736	1,507,685	1,545,769	1,514,350	1,538,616	1,719,551
Public works	-	-	52,157	781,614	49,186	39,104	149,299	205,501
Highways and streets	1,710,424	2,091,813	754,080	977,667	18,700	18,700	19,243	9,474
Parks and recreation	1,380,947	681,356	751,985	794,097	915,378	988,075	1,089,866	1,182,386
Library	65,336	63,243	63,638	144,703	76,934	104,188	105,247	132,216
Community development	1,419,414	2,572,835	1,163,310	2,622,644	1,905,157	1,084,270	922,255	1,793,825
Operating grants and contributions	905,721	757,952	3,924,875	3,537,503	6,987,198	5,715,274	11,225,060	10,364,539
Capital grants and contributions	5,099,422	2,822,419	328,114	2,628,237	-	823,772	79,562	1,897,433
Total governmental activities program revenue:	<u>14,096,480</u>	<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>	<u>18,526,343</u>	<u>20,476,535</u>
Business-type activities:								
Charges for services:								
Water	6,332,229	6,682,238	7,089,683	8,258,200	8,174,920	8,836,515	9,491,102	10,601,609
Stormwater	546,589	549,708	614,832	531,455	618,552	574,796	593,179	612,325
Wastewater	5,918,246	6,079,454	6,261,689	8,413,781	9,061,789	9,566,099	10,128,799	11,294,768
Cable Television	7,288,915	7,867,702	9,162,788	9,036,944	9,833,713	10,254,204	10,570,028	10,192,578
Total business-type activities program revenue:	<u>20,085,979</u>	<u>21,179,102</u>	<u>23,128,992</u>	<u>26,240,380</u>	<u>27,688,974</u>	<u>29,231,614</u>	<u>30,783,108</u>	<u>32,701,280</u>
Total primary government program revenues	<u>\$ 34,182,459</u>	<u>\$ 34,241,773</u>	<u>\$ 34,486,518</u>	<u>\$ 44,336,828</u>	<u>\$ 41,288,076</u>	<u>\$ 43,351,044</u>	<u>\$ 49,309,451</u>	<u>\$ 53,177,815</u>
Net (Expense)/Revenue								
Governmental activities	\$(18,246,082)	\$(20,183,730)	\$(23,538,578)	\$(25,003,119)	\$(32,901,105)	\$(32,961,710)	\$(30,528,870)	\$(21,508,101)
Business-type activities	(6,663)	(321,501)	(636,088)	3,370,787	904,465	2,486,282	1,976,507	4,347,054
Total primary government net expense	<u>\$(18,252,745)</u>	<u>\$(20,505,231)</u>	<u>\$(24,174,666)</u>	<u>\$(21,632,332)</u>	<u>\$(31,996,640)</u>	<u>\$(30,475,428)</u>	<u>\$(28,552,363)</u>	<u>\$(17,161,047)</u>

*Data not available prior to 2005

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS, CONTINUED (Fiscal years ended June 30)

	2005*	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes, levied for general purposes	\$ 4,398,198	\$ 4,944,621	\$ 5,315,026	\$ 5,792,092	\$ 5,609,011	\$ 6,561,286	\$ 5,035,244	\$ 5,641,633
Property taxes, tax increment for redevelopment purposes	1,404,122	2,625,615	3,839,579	4,435,080	9,163,133	9,308,063	8,900,038	3,607,372
Transient occupancy tax	932,289	1,139,693	1,276,830	1,478,040	1,339,877	1,344,364	1,763,680	2,183,947
Franchise tax	995,474	1,450,533	1,531,909	1,608,176	1,798,855	1,804,390	1,916,659	1,941,385
Sales tax, including subvention	6,234,499	6,816,036	6,862,845	6,637,010	6,402,912	5,366,248	6,498,220	6,861,036
Cardroom taxes	3,028,003	2,819,988	2,735,107	1,491,812	1,540,728	1,496,516	1,531,232	1,572,708
Other taxes	-	-	316,762	-	1,523,129	1,487,538	1,632,802	2,028,635
Intergovernmental:								
State motor vehicle in-lieu tax, including subvention	2,876,477	2,824,642	3,166,460	3,365,156	3,544,320	3,350,849	3,374,101	3,255,434
Use of money and property	364,665	499,665	1,218,377	2,184,450	1,433,300	2,242,441	1,909,612	1,788,884
Miscellaneous and extraordinary items	2,386,324	3,409,259	2,425,997	-	-	-	-	1,328,242
Transfers	-	175,164	-	(300,443)	187,418	(93,482)	(91,576)	(29,493)
Total governmental activities	22,620,051	26,705,216	28,688,892	26,691,373	32,542,683	32,868,213	32,470,012	30,179,783
Business-type activities								
Use of money and property	438,775	513,954	508,939	573,172	(291,344)	123,648	119,045	147,344
Transfers	214,752	(62,857)	-	300,443	(187,418)	93,482	91,576	29,493
Total business-type activities	653,527	451,097	508,939	873,615	(478,762)	217,130	210,621	176,837
Total primary government	\$ 23,273,578	\$ 27,156,313	\$ 29,197,831	\$ 27,564,988	\$ 32,063,921	\$ 33,085,343	\$ 32,680,633	\$ 30,356,620
Changes in Net Assets								
Governmental activities	\$ 4,373,969	\$ 6,521,486	\$ 5,150,314	\$ 1,688,254	\$ (358,422)	\$ (93,497)	\$ 1,941,142	\$ 8,671,682
Business-type activities	646,864	129,596	(127,149)	4,244,402	425,703	2,703,412	2,187,128	4,523,891
Total primary government	\$ 5,020,833	\$ 6,651,082	\$ 5,023,165	\$ 5,932,656	\$ 67,281	\$ 2,609,915	\$ 4,128,270	\$ 13,195,573

*Data not available prior to 2005

CITY OF SAN BRUNO, CALIFORNIA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST EIGHT FISCAL YEARS

(Fiscal years ended June 30,)

	<u>2005*</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,702	\$ 638,512	\$ 624,274
Restricted	3,353,515	3,934,669	662,200	826,709	1,060,558	-	-	-
Assigned	-	-	-	-	-	152,533	127,407	110,049
Unassigned	3,245,215	4,462,312	8,041,350	8,670,499	6,652,186	7,443,638	9,052,945	12,998,096
Total general fund	<u>\$ 6,598,730</u>	<u>\$ 8,396,981</u>	<u>\$ 8,703,550</u>	<u>\$ 9,497,208</u>	<u>\$ 7,712,744</u>	<u>\$ 8,244,873</u>	<u>\$ 9,818,864</u>	<u>\$ 13,732,419</u>
All Other Governmental Funds								
Nonspendable	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -
Restricted	1,030,184	1,119,897	4,947,910	7,797,724	11,490,283	13,486,013	17,870,653	12,532,914
Unassigned	(2,041,041)	(836,728)	-	-	(986,616)	(1,818,644)	(1,843,753)	(71,119)
Total all other governmental funds	<u>\$(1,010,857)</u>	<u>\$ 283,169</u>	<u>\$ 4,947,910</u>	<u>\$ 7,887,724</u>	<u>\$ 10,593,667</u>	<u>\$ 11,757,369</u>	<u>\$ 16,116,900</u>	<u>\$ 12,461,795</u>

*Data not available prior to 2005

CITY OF SAN BRUNO, CALIFORNIA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Fiscal years ended June 30,)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 16,810,824	\$ 18,278,498	\$ 21,801,314	\$ 18,835,537	\$ 21,137,455	\$ 23,236,735	\$ 27,788,860	\$ 27,863,575	\$ 27,705,514	\$ 24,265,039
Licenses and permits	4,866,084	1,835,250	1,637,527	5,283,072	4,813,087	4,379,092	3,644,640	2,036,968	2,182,177	3,674,707
Intergovernmental	4,410,098	3,960,354	4,538,435	4,726,434	4,976,381	5,555,835	4,024,517	4,663,260	4,102,933	4,811,636
Charges for services	3,800,633	3,936,291	5,302,228	4,998,704	3,458,641	3,534,085	2,812,413	3,319,982	4,249,436	4,648,073
Fines and forfeitures	428,284	555,133	500,717	570,691	563,836	578,406	649,186	763,221	739,033	759,985
Use of money and property	306,424	908,139	364,665	1,583,178	1,149,534	2,287,478	1,433,302	1,938,960	1,909,612	1,788,884
Other revenues	1,882,845	614,131	1,660,831	2,210,719	4,048,911	5,976,311	5,601,449	6,151,677	10,199,227	9,409,245
Total revenues	32,505,192	30,087,796	35,805,717	38,208,335	40,147,845	45,547,942	45,954,367	46,737,643	51,087,932	49,357,569
Expenditures:										
General government	2,891,821	3,587,063	3,830,993	3,750,350	3,449,991	1,114,968	3,831,772	3,432,652	7,733,633	7,659,751
Public safety	13,550,445	13,237,345	14,996,475	16,168,590	16,848,691	20,849,179	19,606,624	19,791,984	18,630,659	19,200,997
Public works	2,929,116	1,943,991	491,059	679,486	1,017,450	1,501,639	1,228,246	795,138	827,163	954,550
Highways and streets	2,236,444	1,207,594	5,552,960	4,969,695	2,956,134	4,816,250	4,101,578	3,924,442	2,442,621	3,420,294
Parks and recreation	4,202,653	3,791,251	3,562,029	3,886,525	4,136,082	4,822,377	4,627,648	4,319,160	4,106,814	4,245,171
Library	1,610,702	1,731,081	1,559,864	1,663,807	1,625,429	2,028,271	1,903,867	1,752,924	1,669,374	1,635,242
Community development	3,565,513	3,005,093	3,474,765	3,543,200	3,561,656	4,899,902	7,998,339	8,978,350	7,730,597	1,903,573
Capital outlay	3,984,770	1,661,709	773,579	827,974	799,524	906,765	696,590	1,071,479	699,463	2,154,326
Debt service:										
Principal	447,867	474,153	501,323	812,828	479,955	503,713	523,124	548,219	574,031	365,592
Interest	845,104	569,776	516,934	563,591	548,987	526,204	702,518	677,464	651,882	219,706
Total expenditures	36,264,435	31,209,056	35,259,981	36,866,046	35,423,899	41,969,268	45,220,306	45,291,812	45,066,237	41,759,202
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	(3,759,243)	(1,121,260)	545,736	1,342,289	4,723,946	3,578,674	734,061	1,445,831	6,021,695	7,598,367
Extraordinary item	-	-	-	-	-	-	-	-	-	(6,591,758)
Other financing sources (Transfer In)	775,000	355,758	337,000	-	4,299,624	2,963,422	3,504,587	5,418,156	3,696,045	2,572,024
Other financing sources (Transfer Out)	-	-	-	-	(4,058,624)	(2,812,004)	(3,317,169)	(5,168,156)	(4,234,218)	(2,870,183)
Other financing sources (uses):										
Operating transfers from (to) Enterprise Funds:										
Water	-	-	-	77,500	-	-	-	-	-	-
Stormwater	190,400	-	-	25,000	-	-	-	-	-	-
Wastewater	-	-	-	72,664	-	-	-	-	-	-
Cable television	606,749	25,000	-	-	-	-	-	-	-	-
Operating transfers from (to) Internal Service Funds	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)	-	-	-	1,229,298	-	-	-	-	-	-
Total other financing sources (uses)	1,042,080	274,834	214,463	1,554,462	6,363	3,380	-	-	-	-
Net change in fund balances	\$ (3,492,163)	\$ (1,202,184)	\$ 423,199	\$ 2,896,751	\$ 4,971,309	\$ 3,733,472	\$ 921,479	\$ 1,695,831	\$ 5,483,522	\$ 708,450
Debt service as a percentage of noncapital expenditures	0.040055279	0.035330719	0.029526333	0.038193469	0.029717273	0.025081691	0.027527846	0.027717634	0.027631331	0.014778433

CITY OF SAN BRUNO, CALIFORNIA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

(In thousands of dollars)

City of San Bruno, California

Assessed Value and Estimated Actual Value of Taxable Property

For the last ten fiscal years

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate ©
2003	n/a	n/a	n/a	#####	#####	#####	#####	#####	1.0000
2004	n/a	n/a	n/a	3,542,312,375	3,542,312,375	190,780,306	3,733,092,681	3,733,092,681	1.0000
2005	n/a	n/a	n/a	3,699,755,446	3,699,755,446	85,255,919	3,785,011,365	3,785,011,365	1.0000
2006	n/a	n/a	n/a	4,022,810,077	4,022,810,077	73,755,204	4,096,565,281	4,096,565,281	1.0000
2007	n/a	n/a	n/a	4,595,232,358	4,595,232,358	132,801,940	4,728,034,298	4,728,034,298	1.0000
2008	4,140,658,055	786,083,510	45,850,953	18,220,809	4,990,813,327	136,882,557	5,127,695,884	5,127,695,884	1.0000
2009	4,258,133,280	955,388,864	48,730,397	67,546,506	5,329,799,047	151,460,560	5,481,259,607	5,481,259,607	1.0000
2010	3,975,052,139	926,069,917	50,710,726	89,708,468	5,041,541,250	158,207,291	5,199,748,541	5,199,748,541	1.0000
2011	3,983,932,708	873,929,269	50,198,770	63,452,695	4,971,513,442	149,424,723	5,120,938,165	5,120,938,165	1.0000
2012	4,070,537,434	891,421,347	51,219,994	58,079,327	5,071,258,102	147,540,815	5,218,798,917	5,218,798,917	1.0000

Source: California Municipal Statistics and County Assessor Data

(a) Other property assessed value included residential, commercial and industrial property before 2008.

(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California Cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to ALL the taxing entities within a tax rate area.

CITY OF SAN BRUNO, CALIFORNIA

**DIRECT AND OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS**

(Rate per \$100 of assessed value)

	Direct Rates		School Districts	Special Districts	Total Tax Rate
	Basic Rate	Total Direct			
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
FY 10-11	1.0000	1.0000	0.0834	0.0000	1.0834
FY 11-12	1.0000	1.0000	0.0909	0.0000	1.0909

Source: California Municipal Statistics

CITY OF SAN BRUNO, CALIFORNIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

		2011-12			2002-2003				
Property Owner	Primary Land Use	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	\$ 165,384,369	1	20.93%	The Gap Inc.	Office Building	\$ 286,269	1	43.94%
The Gap Inc.	Office Building	125,359,142	2	15.87%	Bayhill Associates	Office Building	125,010	2	19.19%
Tanforan Park Shopping Center LLC	Shopping Center	119,821,426	3	15.17%	Aimco San Bruno Apt.	Apartments	45,406	3	6.97%
Bayhill Four Associates	Office Building	116,497,773	4	14.75%	San Bruno Seventeen et al	Office Building	36,843	4	5.66%
SNK SB Crossing LLC	Apartments	60,850,010	5	7.70%	RB Lake Amir Office Et AL	Office Building	29,361	5	4.51%
Behringer Harvard Acappella LP	Apartments	55,000,000	6	6.96%	Crystal Springs Associates	Apartments	29,072	6	4.46%
CREA-San Bruno LLC	Office Building	43,500,000	7	5.51%	Tanforan Shopping Center	Shopping Center	27,991	7	4.30%
Landmark Town Center LLC	Shopping Center	40,979,776	8	5.19%	JC Penny Co. Inc.	Shopping Center	24,469	8	3.76%
Crystal Springs Associates	Apartments	31,824,121	9	4.03%	Martin/Regis San Bruno Assoc.	Apartments	23,705	9	3.64%
Aimco San Bruno Apartments Partners LP	Apartments	30,829,263	10	3.90%	Lowes HIW Inc. Lessee	Shopping Center	23,359	10	3.59%

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF TOP 40 RETAIL BUSINESSES FOR THE YEAR ENDED JUNE 30, 2012

(Listed in alphabetical order)

Name	Address
All Shores	135 El Camino Real
Apex Systems, Inc.	1111 Bayhill Dr. Ste 240
Best Buy Store#1896	1250 El Camino Real
BioCodex Inc.	1250 Bayhill Dr. Ste 200
BJ's Restaurant	1150 El Camino Real, Ste 270
CBR Systems Inc.	1200 Bayhill Dr. FL3
Century Theaters Inc.#494	1188 El Camino Real
Cisco Ironport Systems, LLC	950 Elm Ave.
Crystal Springs Associates	2000 Crystal Springs Rd.
CVS/Pharmacy#9807	10 Bayhill Shopping Ctr.
Davita Rx, LLC#1685	1178 Cherry Ave.
Grace Honda	345 El Camino Real
Horus Vision, LLC	598 San Mateo Ave.
Inquire, Inc.	900 Cherry Ave. FL6
J.C.Penney Corp. Inc.	1122 El Camino Real
James J. Boyle & CO.	1097 Sneath Ln.
Lash Group, Inc.	999 Bayhill Dr#300
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.
Pacific Bell	1101 San Mateo Ave.
Provident Funding Associates LP	851 Traeger Ave.Ste 100
Prudential California Realty	180 El Camino Real
Qumu, Inc.	1100 Grundy Ln. Ste 300
San Bruno Shell - Gas Station	798 El Camino Real
Sears Roebuck & Co. #1478	1178 El Camino Real
Sharespost Inc.	1250 Bayhill Dr. Ste 300-350
Shelter Creek Condo. Association	701 Shelter Creek Ln.
SNK SB Crossing LLC(Grande Lux)	1051 National Ave.
Target Store T1054	1150 El Camino Real
The Permanente Medical Group	801 Traeger Ave.
Vantagepoint Capital Partners	1001 Bayhill Dr.Ste 300
Vince's Shell Fish Co. Inc.	1063 Montgomery Ave.
Walgreens #2939	333 El Camino Real
Walmart Stores Inc.	850 Cherry Ave.
You Tube Inc.	901 Cherry Ave.

Source : City of San Bruno

CITY OF SAN BRUNO, CALIFORNIA

**PROPERTY TAX LEVIES AND COLLECTION
FOR THE LAST TEN 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
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%
2011	4,596,877	4,596,877	100%	-	4,596,877	100%
2012	4,594,121	4,594,121	100%	-	4,594,121	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,	Government Activities			Business-type Activities	Total Primary Government	Population	Debt per Capia	Debt As a Percent of Personal Income
	Capital Lease	Certificates of Participation	Special Assesments Bonds	Wastwater Certificates of Participation				
2003	\$ 1,811,251	\$ 9,455,000	\$ -	\$ 9,645,000	\$ 20,911,251	40,350	\$ 518	2.0%
2004	1,492,097	9,300,000	-	9,460,000	20,252,097	41,500	488	1.8%
2005	1,155,774	9,135,000	-	9,275,000	19,565,774	39,752	492	1.5%
2006	1,959,633	8,955,000	-	9,275,000	20,189,633	39,986	505	1.5%
2007	1,669,679	8,765,000	-	9,085,000	19,519,679	40,017	488	1.5%
2008	1,365,965	8,565,000	-	8,890,000	18,820,965	43,286	435	1.3%
2009	1,047,841	8,360,000	-	8,685,000	18,092,841	43,798	413	1.2%
2010	714,622	8,145,000	-	8,475,000	17,334,622	44,294	391	1.1%
2011	365,592	7,920,000	-	8,260,000	16,545,592	41,842	395	1.2%
2012	240,306	7,680,000	-	8,035,000	15,955,306	42,451	376	N/A

N/A Note: Personal income for 2012 is not available until the following year.

Source: City financial records

CITY OF SAN BRUNO, CALIFORNIA

OVERLAPPING DEBT JUNE 30, 2012

2011-12 Assessed Valuation:	\$ 5,218,798,917
Redevelopment Incremental Valuation:	<u>949,800,961</u>
Adjusted Assessed Valuation:	\$ 4,268,997,956

Overlapping Tax and Assessment Debt:	Net Debt		
	Outstanding	% Applicable ⁽¹⁾	
San Mateo Community College District	\$ 595,569,994	3.260%	\$ 19,415,582
South San Francisco Unified School District	95,887,755	1.911	1,832,415
San Mateo Union High School District	455,747,452	8.748	39,868,787
San Bruno Park School District	15,511,141	84.086	13,042,698
Millbrae School District Maintenance Assessment District	49,249,527	2.113	<u>1,040,643</u>
Total overlapping tax and assessment debt			75,200,125

Ratios to 2011-12 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.44%

Direct and Overlapping General Fund Debt:

San Mateo County General Fund Obligations	324,979,816	3.260%	10,594,342
San Mateo County Board of Education Certificates of Participation	11,945,000	3.26	389,407
San Mateo County Flood Control District Certificates of Participation	22,650,000	6.315	1,430,348
South San Francisco Unified School District Certificates of Participati	1,276,931	1.911	24,402
City of San Bruno Fire Apparatus Lease	240,306	100	240,306
City of San Bruno Certificates of Participation	7,680,000	100	7,680,000
City of San Bruno compensated absences	2,422,938	100	2,422,938
City of San Bruno liability for claims	2,190,469	100	2,190,469
City of San Bruno other post employment benefits	9,861,900	100	9,861,900
Total direct and overlapping general fund debt			<u>34,834,112</u>
Total Direct Debt			22,395,613
Total Overlapping Debt			<u>87,638,624</u>
Combined Total Debt ⁽²⁾			<u><u>\$ 110,034,237</u></u>

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$7,920,306) 0.52%

Combined Total Debt 2.58%

⁽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)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 522,753	\$ 585,483	\$ 546,545	\$ 595,032	\$ 680,951	\$ 740,427	\$ 791,361	\$ 748,091	\$ 737,577	\$ 782,820
Total net debt applicable to limit	20,911	20,252	19,566	20,190	19,520	18,821	18,093	17,335	16,546	15,955
Legal debt margin	<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>	<u>\$ 721,031</u>	<u>\$ 766,865</u>
Total net debt applicable to the limit as a percentage of debt limit	4.17%	3.58%	3.71%	3.51%	2.95%	2.61%	2.34%	2.37%	2.29%	2.08%

(1) California Government Code, Section 43605 sets the debt limit at 15% of gross assessed valuation.

CITY OF SAN BRUNO, CALIFORNIA

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June30,	Business-type Activities					Coverage
	Wastewater Certificates of Participation					
	Sewer Revenues & Transfers	Net Available Revenue	Debt Service			
			Principal	Interest		
2003	\$ 5,324,186	\$ 5,324,186	\$ -	\$ 469,618	11.34	
2004	5,455,496	5,455,496	155,000	443,767	9.11	
2005	5,943,670	5,943,670	185,000	439,605	9.52	
2006	6,079,454	6,079,454	185,000	435,165	9.80	
2007	6,261,689	6,261,689	190,000	430,035	10.10	
2008	8,413,781	8,413,781	195,000	424,185	13.59	
2009	9,061,790	9,061,790	205,000	417,420	14.56	
2010	9,566,100	9,566,100	210,000	409,860	15.43	
2011	10,138,799	10,138,799	215,000	401,690	16.44	
2012	11,302,885	11,302,885	225,000	392,915	18.29	

CITY OF SAN BRUNO, CALIFORNIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population	Total Personal Income	Per Capita Personal Income	Median Age	San Mateo County	
					School Enrollment	Unemployment Rate
2003	40,350	\$ 1,063,626,000	\$ 26,360	36.0	3,906	4.5%
2004	41,500	1,156,065,500	27,857	36.0	3,906	4.5%
2005	39,752	1,313,962,608	33,054	36.0	3,806	4.5%
2006	39,986	1,321,537,300	33,050	36.0	3,857	3.8%
2007	40,017	1,322,721,918	33,054	37.0	3,793	3.9%
2008	43,286	1,430,602,300	33,050	39.0	3,796	4.8%
2009	43,798	1,490,883,920	34,040	38.0	3,805	8.9%
2010	44,294	1,537,533,328	34,712	36.0	3,789	9.2%
2011	41,842	1,384,677,306	33,093	39.1	3,697	8.7%
2012	42,451	N/A	N/A	N/A	3,747	7.1%

Source:

Population is provided by the State Department of Finance

Personal income and per capita personal income is provided by U.S. Census, American Comm.Survey 3-year Estimates and is adjusted for inflation

Median Age is provided by U.S. Census Bureau, American Comm.Survey 3-year Estimates

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

N/A Note: The recent fiscal year personal income and per capita income figures are not available until the next fiscal year

CITY OF SAN BRUNO, CALIFORNIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND LAST YEAR**

Employer	2011-12			2010-11		
	Employees	Rank	Percentage of Top 11 Employment	Employees	Rank	Percentage of Top 11 Employment
You Tube, Inc.	558	1	28.03%	481	1	22.43%
Lash Group, Inc.	332	2	16.68%	323	2	15.07%
Sears, Roebuck & Co.	264	3	13.26%	293	3	13.67%
Target Store T1054	258	4	12.96%	292	4	13.62%
CBR Systems Inc.	152	5	7.63%		N/A	0.00%
Lowe's HIW, Inc.	146	6	7.33%	150	7	7.00%
Lunardi's Market	77	7	3.87%		N/A	0.00%
Davita RX, LLC#1685	74	8	3.72%	52	10	2.43%
Melody Toyota	71	9	3.57%	68	8	3.17%
Vantagepoint Capital Partners	45	10	2.26%	57	9	2.66%
SNK SB Crossing LLC	14	11	70.00%	6	11	0.28%
Cisco Ironport Systems, Inc.		N/A		262	5	17.40%
Inquira, Inc.		N/A		160	6	7.46%
Total	1,991			2,144		

Source: City of San Bruno Business License records

* Data for 2002 is not available

CITY OF SAN BRUNO, CALIFORNIA

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

(Fiscal year ended June 30)

Function/Program	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
General Fund							
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legal Services	1.00	1.00	1.00	1	1	1	1
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Human Resources	2.00	3.00	3.00	3.00	2.00	2.00	2.00
Finance							
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Revenue Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Police	66.00	66.00	63.00	66.00	61.00	62.00	59.00
Fire	36.00	35.00	33.00	34.00	34.00	34.00	33.00
Public Works							
Admin. & Engineering	8.00	9.00	8.00	8.00	8.00	7.00	7.00
Streets Maintenance	6.00	6.00	6.00	6.00	5.00	5.00	5.00
Community Development							
Planning	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Building	6.00	6.00	5.00	5.00	4.00	4.00	4.00
Parks & Recreation Services							
Recreation	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Parks Maintenance	19.00	19.00	16.00	17.00	16.00	14.00	13.00
Senior Services	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Library Services	11.00	11.00	10.00	10.00	9.00	9.00	9.00
Subtotal	<u>185.00</u>	<u>186.00</u>	<u>174.00</u>	<u>180.00</u>	<u>169.00</u>	<u>166.00</u>	<u>161.00</u>
Special Revenues							
Solid Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RDA Operations	3.00	3.00	2.00	4.00	4.00	4.00	4.00
RDA Low/Mod Housing	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Subtotal	<u>5.00</u>	<u>5.00</u>	<u>3.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Internal Services							
Central Garage	3.00	4.00	4.00	4.00	4.00	3.00	3.00
Buildings and Facilities	6.00	7.00	6.00	7.00	7.00	6.00	6.00
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal	<u>13.00</u>	<u>15.00</u>	<u>14.00</u>	<u>15.00</u>	<u>15.00</u>	<u>13.00</u>	<u>13.00</u>
Enterprise Funds							
Water Enterprise	16.00	18.00	16.00	17.00	17.00	17.00	17.00
Stormwater Enterprise	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Wastewater Enterprise	15.00	15.00	12.00	15.00	14.00	15.00	16.00
Cable Enterprise	19.00	20.00	19.00	20.00	20.00	20.00	20.00
Subtotal	<u>53.00</u>	<u>56.00</u>	<u>50.00</u>	<u>55.00</u>	<u>54.00</u>	<u>56.00</u>	<u>57.00</u>
Total Positions (all funds)	<u>256.00</u>	<u>262.00</u>	<u>241.00</u>	<u>256.00</u>	<u>244.00</u>	<u>240.00</u>	<u>237.00</u>

Source: City of San Bruno

*Data prior to 2005 not available

CITY OF SAN BRUNO, CALIFORNIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Calls for Service	*	*	*	*	*	*	25,164	23,305	22,275	23,242
Physical arrests	1,442	1,521	*	1,331	*	*	1,585	1,371	1,401	1,371
Parking violations**	11,702	13,462	*	9,634	10,273	11,715	11,706	9,242	10,273	11,683
Traffic collisions	1,808	2,149	*	3,087	*	*	480	387	452	387
Moving citations	*	*	*	*	*	*	2,215	2,128	2,665	2,128
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered**	3,266	3,038	3,016	3,170	3,294	3,493	3,539	3,517	3,822	3,161
Number of inspection conducted**	725	850	*	650	1,487	1,647	1,428	1,300	1,341	1,381
Public Works										
Street repair (sq. ft.)	*	*	*	*	*	*	*	11,405	8,750	4,304
Potholes repaired	*	*	*	*	*	*	*	1,055	1,055	1,016
Sidewalk repair (sq. ft)	*	*	*	*	*	*	*	4,653	2,478	2,215
Sidewalk curb&gutter repair (ft)	*	*	*	*	*	*	*	481	89	62
Community Development:										
Plans checks	*	*	*	*	*	*	*	413	389	384
Permits Issued	*	*	*	*	*	*	*	1,178	1,575	1,375
Parks & recreation:										
Picnic rentals	*	*	*	*	*	*	*	*	766	813
Library:										
Library circulation	*	*	*	*	*	*	*	*	374,496	372,162
Library visits	*	*	*	*	*	*	*	*	239,916	239,649
Water										
New service connections	*	*	*	*	*	*	*	353	320	271
Gallons purchased(millions of gallons)	*	*	*	*	*	*	*	*	584	796

*Data not available

**Calendar year as of October 31

Source: various city department records. Started tracking by function in 2011

CITY OF SAN BRUNO, CALIFORNIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST FIVE FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2007	2008	2009	2010	2011	2012
Engineering /Public Work						
Pavement	(720,575)	(698,246)	(698,027)	(696,010)	(732,678)	(934,435)
Traffic Signal	17					
Traffic Signal	(42,547)	(42,218)	(43,404)	(54,334)	(54,334)	(53,676)
Streetlights	1,448					
Streetlights	(76,300)	(241,541)	(241,541)	(241,541)	(241,542)	(100,642)
Housing & Redevelopment						
Roadway in centerline miles	145					
Sidewalk	(411,070)	(402,009)	(415,587)	(415,488)	(423,538)	(423,538)
Roadway in centerline miles	131					
Curb & Gutter	(120,158)	(117,235)	(117,235)	(117,235)	(117,235)	(117,235)
Finance and Parks						
Park Facilities	24					
Park Facilities	(35,915)	(35,847)	(35,847)	(35,847)	(35,847)	(35,847)
Walkway Paths and Trails Subsystem	2					
Walkway Paths and Trails Subsystem	(20,944)	(20,507)	(20,507)	(20,507)	(20,507)	(20,507)
Buildings	24					
Structures	(389,213)	(367,380)	(377,093)	(386,312)	(394,902)	(394,682)

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.