



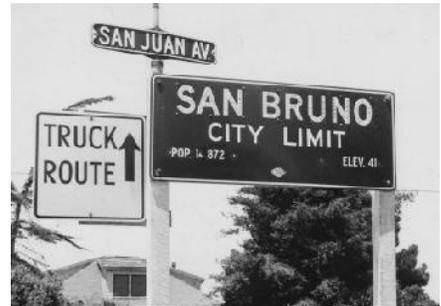
San Bruno 50th Anniversary Jubilee, held in San Bruno City Park, 1964



El Camino Real & San Mateo Ave, 1914



Posy Parade, 1954



San Bruno City Limit, 1950

CITY OF SAN BRUNO, CALIFORNIA

Celebrating 100 Years

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

Prepared by the Finance Department

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CITY OF SAN BRUNO, CALIFORNIA

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FOR THE YEAR ENDED JUNE 30, 2014**

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December 29, 2014

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 (City) for the fiscal year ended June 30, 2014. The City is required to publish audited financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm.

Management is responsible for the accuracy of the data presented and the completeness and fairness of financial presentations and disclosures. The City believes that all disclosures have been included that are necessary for a reader to understand the City's financial condition. In providing a reasonable basis for making these representations, management has established a thorough internal control system designed to protect the government's assets from loss, theft, or misuse and to compile necessary information for preparing the City's financial statements.

The City's financial statements have been audited by the certified public accounting firm of Vavrinek, Trine, Day & Co., LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2014 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 presentation. The City's independent auditor concluded that there is a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2014 are fairly presented. The Independent Auditor's Report stating this opinion can be found near the front of the CAFR. GAAP requires that management provide a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The City's MD&A can be found immediately following the report of the independent auditors.

Government Profile

The City of San Bruno is a general law city incorporated in 1914 that operates under the City Council-City Manager form of government. The City has four City Council members elected at large for staggered four-year terms and the Mayor elected for a two-year term. The City 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 City Council and City. The City Treasurer is also elected to four-year term and manages the City's investment portfolio.

The City is a full service city providing police, fire, public works services including streets, water, sewer, and stormwater, community services including parks maintenance, 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 243 full-time equivalent positions.

The City is located on the San Francisco Peninsula in San Mateo County, approximately 14 miles south of San Francisco and lies immediately adjacent to the San Francisco International Airport. The total land area of San Bruno is 6.4 square miles and serves a residential population of 42,355 as of June 30, 2014.

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 March 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 requests. The City Manager's Recommended Budget is distributed to the City Council early June, with study sessions to discuss the budget in greater detail. A public hearing is conducted to obtain comments from the public leading to adoption of the budget by City Council resolution no later than June 30.

The City Council exercises budgetary control at the fund level. Quarterly financial reports are presented to the City Council to assess and evaluate budget performance during the year. Budget amendments requiring an increase in appropriations require approval by 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 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 residents, 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. Eliminating redevelopment agencies has impacted the City's ability to finance future endeavors similar to the Crossing, since the City no longer has a dedicated revenue stream for such economic development.

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 revenue source. 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 property parcels with a total assessed value of \$5.6 billion. The city's total assessed value grew by 6% in 2013-14, surpassing the peak 2008-09 level. Property tax comprises 19% of the total General Fund revenues.

Sales and Use Taxes

As mentioned earlier, sales and use taxes are the City's single largest General Fund revenue source accounting for 20% 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 approximately 60% 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 20% per year on average since 2010 and account for 7% of the City's total General Fund revenue.

The City entered into a development agreement with a developer for an additional hotel of 148 rooms and a meeting facility sufficient to accommodate 200 guests. This hotel would be built on a 1.5 acre site currently owned by the City.

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 a formal 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 Council approved the City's first formal Reserve Policy on January 22, 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, 2013. 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.

Acknowledgment

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,

A handwritten signature in blue ink that reads "Angela Kraetsch". The signature is written in a cursive, flowing style.

Angela Kraetsch
Finance Director



CITY OF SAN BRUNO CITY COUNCIL

Jim Ruane, Mayor

Irene O'Connell, Vice Mayor

Ken Ibarra

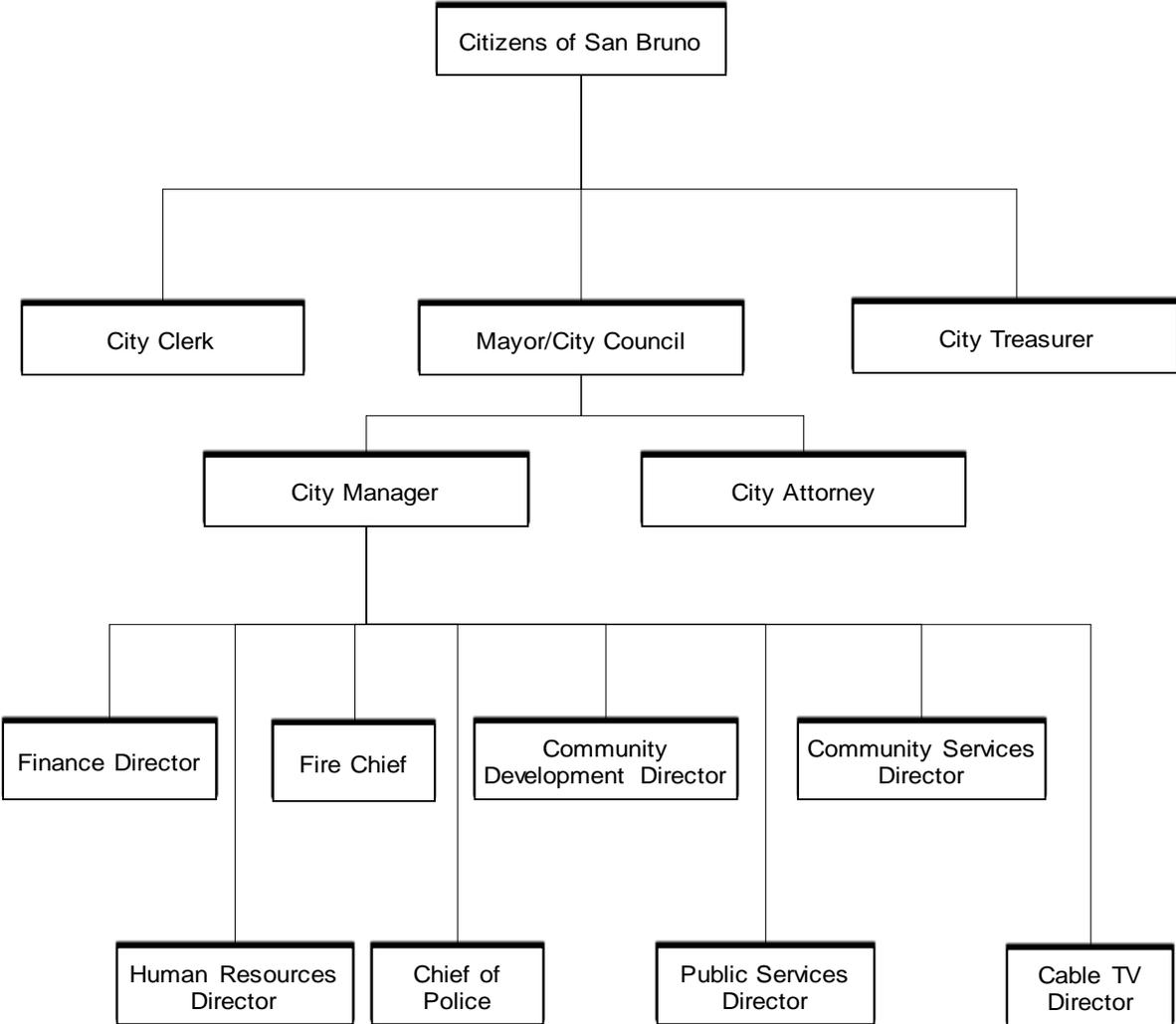
Rico E. Medina

Michael Salazar

CITY MANAGER

Connie Jackson

CITY OF SAN BRUNO





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Bruno
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We have previously audited the City's basic financial statements for the year ended June 30, 2013. In our report we expressed an unmodified opinion on financial statements in our report dated December 28, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Statements and Schedules, the Introductory and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 29, 2014

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014. 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 position increased by \$17.3 million during 2013-14, bringing the total net position to \$128.3 million. The increase in net position is primarily the result of a greater investment in capital infrastructure, increases derived from business-type service charges, and higher than expected tax revenue. Of government-wide net position, \$96.8 million is invested in capital assets, \$10.6 million is restricted for specific use, and the balance of \$20.9 million is unrestricted for the City's operations and capital investments.
- General Fund fund balance increased by \$1.3 million bringing the total to \$10.9 million. The combination of prudent operating cost containment, growth in property tax, sales tax, transient occupancy tax, and business license revenues, 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 healthy surplus allowed the City to fund its reserves at established target levels. See Note 16 for further details.
- The City's governmental activities expenses were \$44.3 million. Expenses were offset by charges for services of \$7.1 million and operating and capital contributions and grants of \$12.7 million for a net cost to general revenues (taxes and investment income) of \$24.5 million. Governmental activities general revenues totaled \$29.7 million. Total general governmental activities amounted to an increase in the change in net position of \$2.2 million (revenues greater than expenses) ending with a net position of \$56.8 million.
- Business-type activities expenses of \$29.4 million were offset by charges for services totaling \$41.3 million. Combined with non-program revenues totaling \$0.2 million and transfers in from governmental funds of \$3.1 million, net position increased by \$15.2 million.
- The City Council adopted a reserve policy on January 22, 2013 to support their commitment to ensuring financial stability and sustainability of operations during times of fiscal constraint and emergencies. As of June 30, 2014, the reserve fund balances amount to: General Fund Reserve, \$9.3 million, Emergency Disaster Reserve, \$3 million, Capital Improvement/One-Time Initiative Reserve, \$7.7 million, Central Garage Reserve, \$0.2 million, Building and Facilities Reserve, \$0.2 million, and Technology Reserve, \$0.1 million.

Overview of Financial Statements

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

Government-wide financial statements 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.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

The government-wide financial statements can be found on pages 19 and 21 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains twenty-one 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, CIP Reserve, Emergency Disaster Reserve, Measure A Transportation Tax and the Street Improvement Capital Projects Funds, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

The governmental fund financial statements can be found on page 25 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, stormwater, wastewater and 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 predominantly benefit governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, 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 33 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 which are the Project Development Fund, San Bruno Garbage Company Fund, and the San Bruno Community Foundation 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. Unlike agency funds, trust funds report an "income statement" referred to as statement of changes in fund net position.

The fiduciary fund financial statements can be found on page 39 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 42 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 80 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 89 of this report.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets exceeded liabilities by \$128 million at the close of fiscal year 2013-14. By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, equipment, and vehicles) 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.

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current assets:	\$43,109,438	\$38,622,509	\$28,627,322	\$24,104,252	\$71,736,760	\$62,726,761
Capital assets, net	50,300,656	49,400,024	63,427,293	55,470,412	113,727,949	104,870,436
Other noncurrent assets:	2,712,264	10,407,033	-	206,961	2,712,264	10,613,994
Total assets	96,122,358	98,429,566	92,054,615	79,781,625	188,176,973	178,211,191
Deferred outflow of resources	-	-	139,870	-	139,870	-
Current liabilities:	8,415,472	7,882,561	4,917,979	6,284,445	13,333,451	14,167,006
Noncurrent liabilities:	30,937,952	35,945,798	15,738,766	17,135,016	46,676,718	53,080,814
Total liabilities	39,353,424	43,828,359	20,656,745	23,419,461	60,010,169	67,247,820
Net Position:						
Net investment in capital assets	50,124,094	49,191,126	46,715,688	36,842,785	96,839,782	86,033,911
Restricted	10,612,672	10,637,770	-	-	10,612,672	10,637,770
Unrestricted	(3,967,832)	(5,227,689)	24,822,052	19,519,379	20,854,220	14,291,690
Total net position	\$56,768,934	\$54,601,207	\$71,537,740	\$56,362,164	\$128,306,674	\$110,963,371

An additional portion of the City's net position (\$10.6 million or 8 percent of Net Position) represents resources that are subject to external restrictions on how the funds may be used. The remaining balance in *unrestricted net position* amounts to \$20.9 million.

At the end of fiscal year 2014, the City reported a positive balance in the government-wide unrestricted net position as a whole in governmental and in business-type activities. Although business-type activities showed positive balances in all categories, governmental activities unrestricted net position continues to decrease as a result of the City's increasing net OPEB obligation and pension obligation bond to pay off the City's CalPERS side fund liability. Aside from the net OPEB obligation and pension obligation bond liabilities, the City's assets increased primarily because property tax, sales tax, transient occupancy tax, and business tax revenues along with one-time revenues exceeded estimates in the governmental activities. Rate increases in the water and wastewater enterprises intended for future capital expenditures were primary contributors to the increase in net position for business activities by \$5.3 million.

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues						
Charge for services	\$ 7.1	\$ 6.8	\$ 41.3	\$ 34.2	\$ 48.4	\$ 41.0
Operating contributions and grants	12.6	9.2	-	-	12.6	9.2
Capital contributions and grants	0.1	1.1	-	-	0.1	1.1
Property taxes	7.4	6.8	-	-	7.4	6.8
Transient occupancy taxes	2.8	2.4	-	-	2.8	2.4
Franchise taxes	1.9	2.0	-	-	1.9	2.0
Sales taxes	7.7	7.3	-	-	7.7	7.3
Cardroom taxes	1.6	1.6	-	-	1.6	1.6
Other taxes	3.3	2.3	-	-	3.3	2.3
State motor vehicle in-lieu tax, including subvention	3.5	3.2	-	-	3.5	3.2
Miscellaneous revenues	(0.2)	1.3	-	-	(0.2)	1.3
Use of money and property	1.7	0.6	0.2	0.1	1.9	0.7
Total Revenue	49.5	44.6	41.5	34.3	91.0	78.9
Expenses						
General government	12.1	10.5	-	-	12.1	10.5
Public safety	19.8	20.0	-	-	19.8	20.0
Public works	0.9	1.0	-	-	0.9	1.0
Highways and streets	2.9	3.7	-	-	2.9	3.7
Parks and recreation	4.7	4.8	-	-	4.7	4.8
Library	1.7	1.7	-	-	1.7	1.7
Community development	1.9	1.5	-	-	1.9	1.5
Interest expense	0.3	0.9	-	-	0.3	0.9
Water	-	-	8.8	9.2	8.8	9.2
Stormwater	-	-	0.7	0.7	0.7	0.7
Wastewater	-	-	9.4	9.2	9.4	9.2
Cable Television	-	-	10.5	10.1	10.5	10.1
Total expenses	44.3	44.1	29.4	29.2	73.7	73.3
Special/Extraordinary Item	-	(12.6)	-	-	-	(12.6)
Transfers	(3.1)	-	3.1	-	-	-
Increase (Decrease) in Net Position	2.1	(12.1)	15.2	5.1	17.3	(7.0)
Beginning Net Position	54.6	66.7	56.4	51.3	111.0	118.0
Ending Net Position	\$ 56.7	\$ 54.6	\$ 71.6	\$ 56.4	\$ 128.3	\$ 111.0

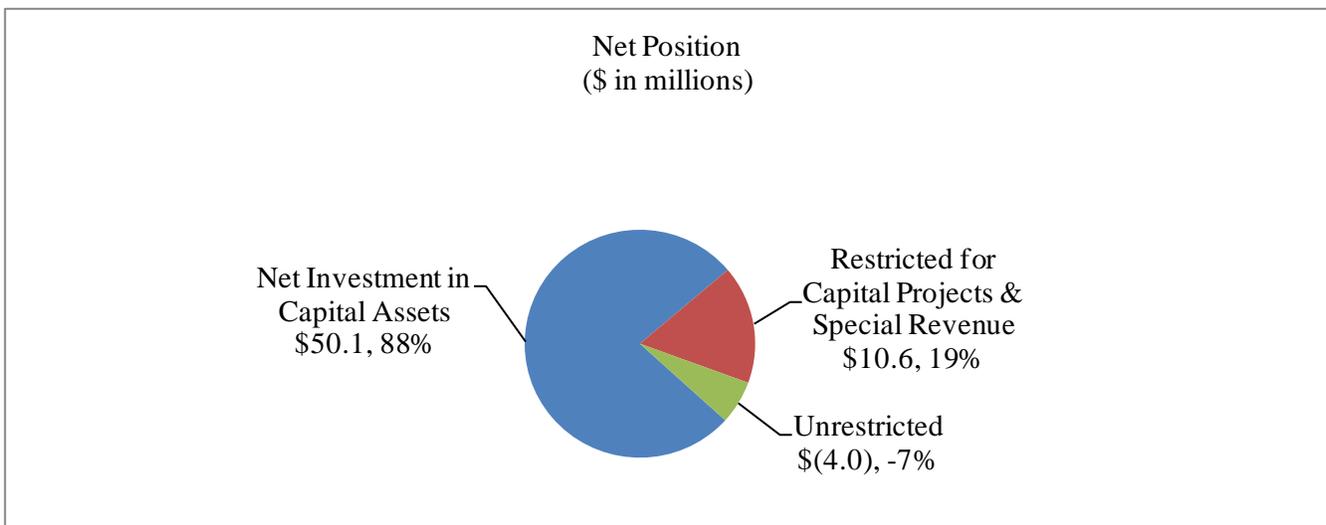
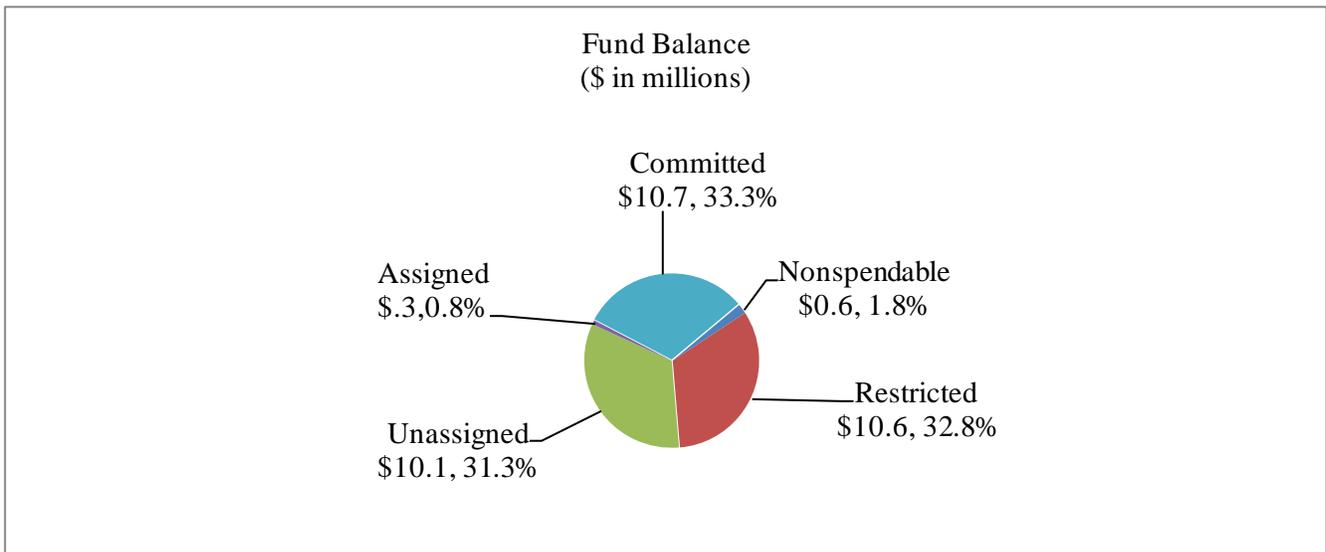
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

Governmental Activities

The cost of all governmental activities this year was \$44.3 million. However, as shown in the statement of activities, the amount that taxpayers ultimately financed for these activities through City taxes (property taxes, transient occupancy taxes, sales taxes and other taxes) was only \$24 million because some of the costs were paid by those directly benefiting from the programs (\$7.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$12.6 million) for operations and (\$0.1 million) for capital. The City paid for the remaining "public benefit" portion of governmental activities with \$26.7 million in other general revenues (some of which could only be used for certain programs), net of transfers.

Available net position are amounts not subject to restriction in the current period, typically classified as fund balance. These amounts are converted to net position 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, 2014**

Total resources available during the year to finance governmental operations were \$46.4 million. This consisted of \$19.8 million in program revenues and \$26.6 million in general revenues net of transfers. Total governmental activities expenses during the year were \$44.3 million. Thus, net position at July 1, 2013 of \$54.6 million increased by \$2.2 million to \$56.8 million by June 30, 2014.

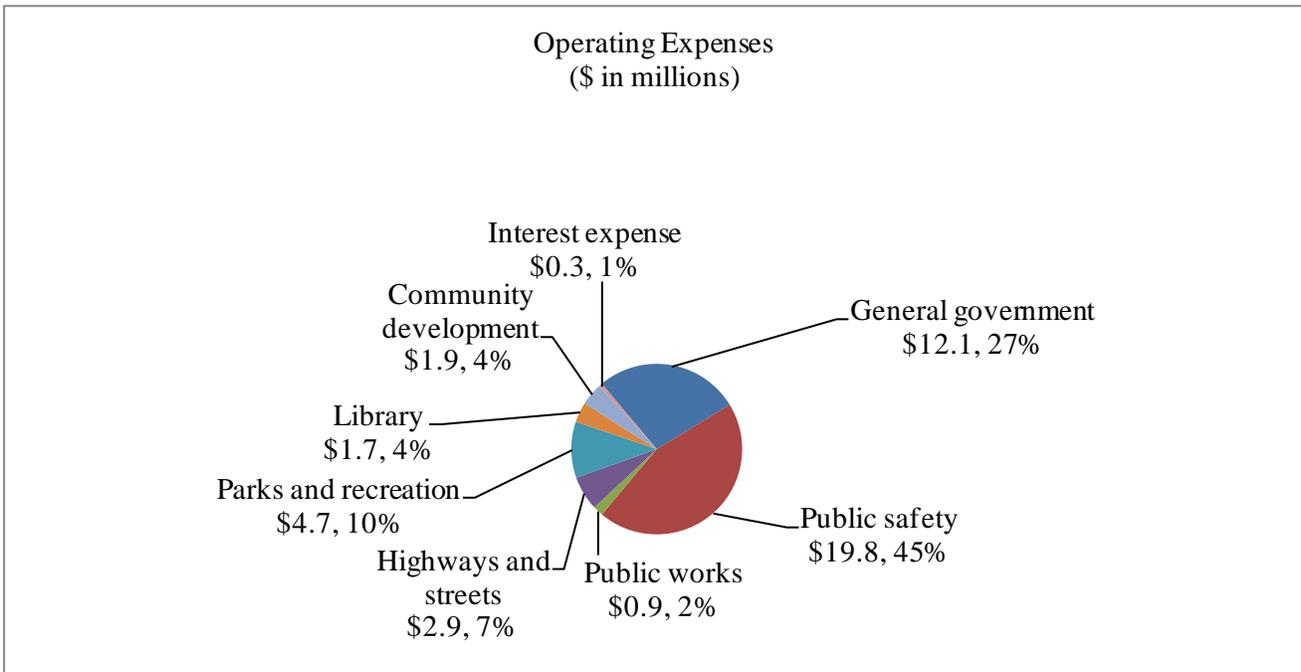
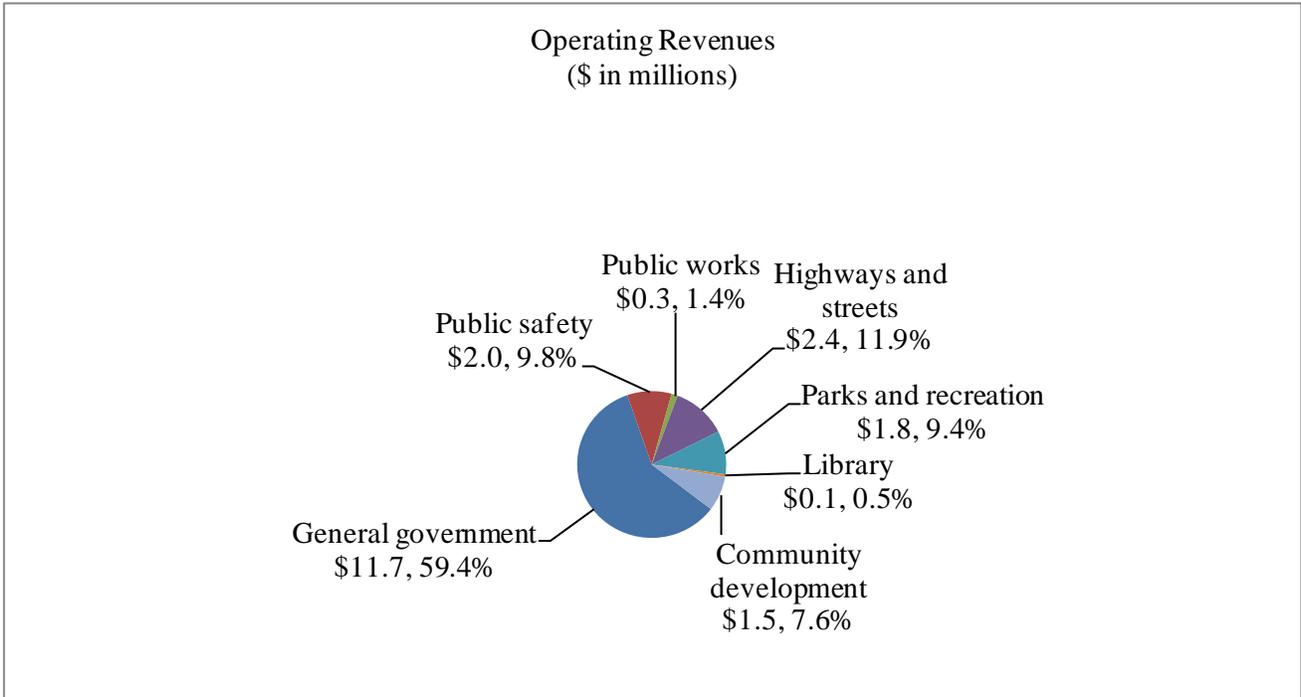
The City’s programs include: general government, public safety, public works, highway and streets, parks and recreation, library, and community development. Each program’s *net* cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that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

	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
	2014	2013	2014	2013	2014	2013
Governmental activities:						
General government	\$ 11,738,114	\$ 8,621,149	\$ 12,129,370	\$ 10,461,109	\$ (391,256)	\$ (1,839,960)
Public safety	1,929,735	2,008,020	19,836,376	20,016,150	(17,906,641)	(18,008,130)
Public works	273,111	1,037,719	850,759	954,150	(577,648)	83,569
Highways and streets	2,363,174	2,552,613	2,891,219	3,647,648	(528,045)	(1,095,035)
Parks and recreation	1,863,897	1,702,059	4,717,561	4,819,878	(2,853,664)	(3,117,819)
Library	108,483	108,434	1,685,455	1,695,581	(1,576,972)	(1,587,147)
Community development	1,506,285	1,087,307	1,888,260	1,556,777	(381,975)	(469,470)
Interest expense	-	-	267,977	931,179	(267,977)	(931,179)
Total governmental activities	\$ 19,782,799	\$ 17,117,301	\$ 44,266,977	\$ 44,082,472	\$ (24,484,178)	\$ (26,965,171)

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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



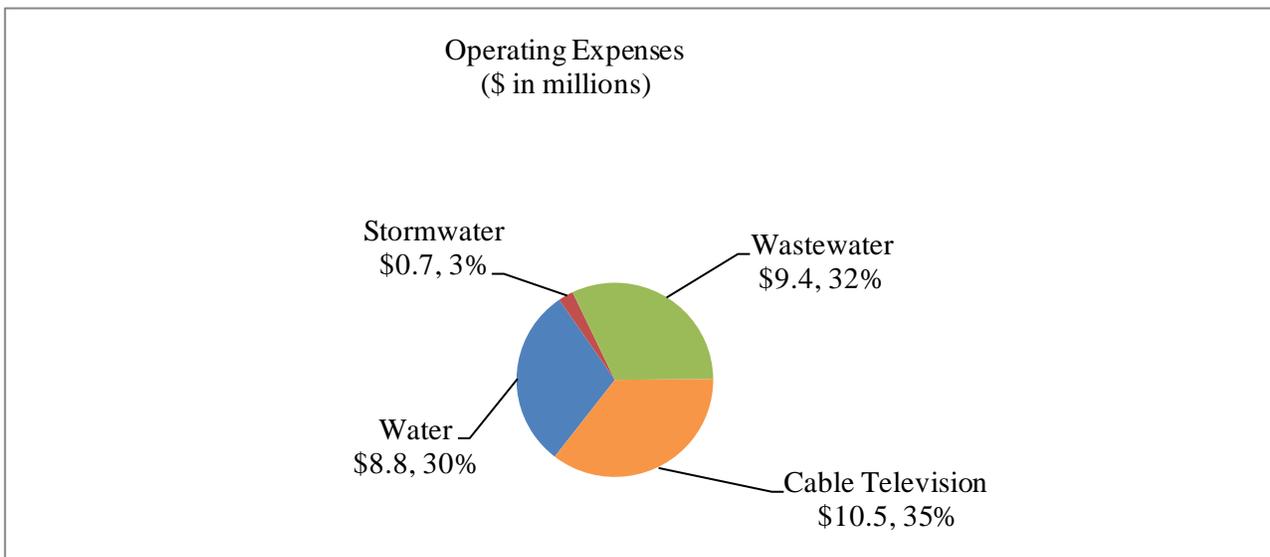
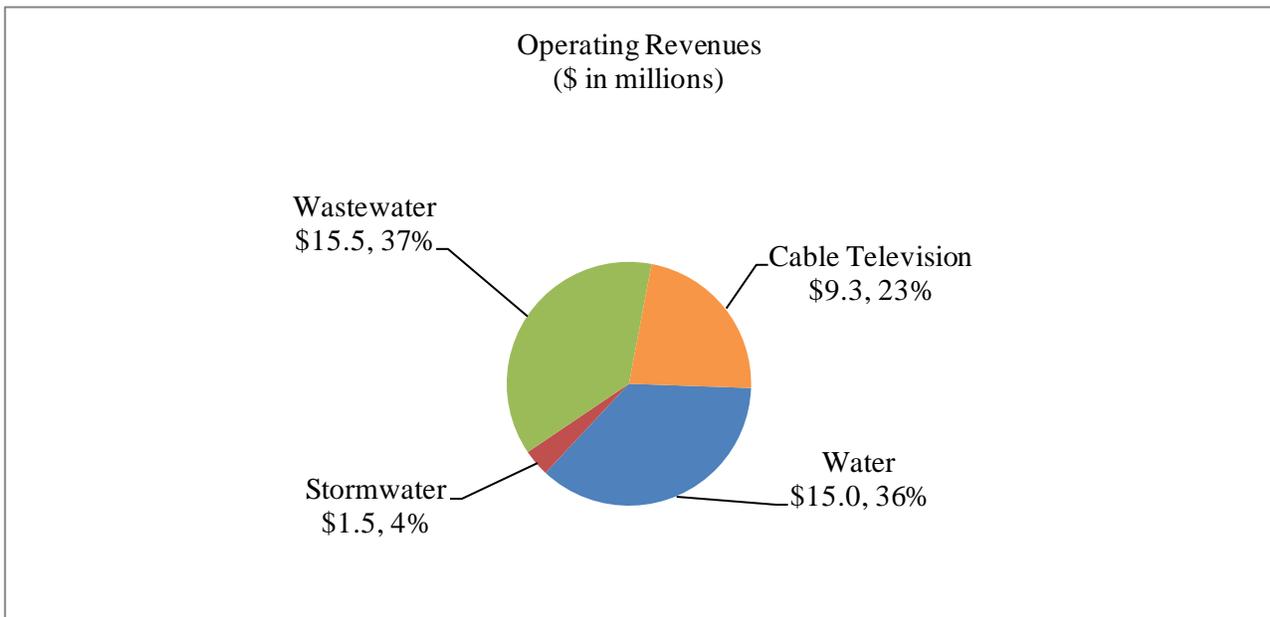
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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 \$44.6 million consisting of program revenues, investment income, and transfers. Total business-type activities expenses during the year were \$29.4 million. Net position increased by \$15.2 million to \$71.5 million.

Operating revenues and expenses can be depicted graphically as follows:



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

CITY OF SAN BRUNO, CALIFORNIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Revenues		Operating Expenses		Net (Expense) and Change in Net Position	
	2014	2013	2014	2013	2014	2013
Business-type activities:						
Water	\$ 15,041,156	\$ 11,725,402	\$ 8,770,677	\$ 9,237,239	\$ 6,270,479	\$ 2,488,163
Stormwater	1,474,221	611,886	739,512	661,493	734,709	(49,607)
Wastewater	15,470,139	12,233,209	9,427,956	9,220,142	6,042,183	3,013,067
Cable Television	9,329,485	9,651,598	10,508,595	10,100,602	(1,179,110)	(449,004)
Total business-type activities	\$ 41,315,001	\$ 34,222,095	\$ 29,446,740	\$ 29,219,476	\$ 11,868,261	\$ 5,002,619

Fund Level Financial Analysis

The City uses fund accounting which focuses on current financial resources that affect near-term liquidity. It is also a management tool for segregating certain resources for specific activities or objectives in accordance with special regulations, restrictions, or limitations. Unassigned fund balance or unrestricted net position is a strong indicator of uncommitted resources available for future spending.

Major Funds Change in Fund Balance

- General Fund fund balance increased by \$1.3 million to \$10.9 million at June 30, 2014. This positive change was mainly due to higher than expected revenues in the areas of property tax, sales tax, transient occupancy tax, and business license fees.
- PG&E Emergency Disaster Reimbursement fund balance decreased by \$0.5 million mainly because of reimbursements for utility infrastructure investments in the Crestmoor/Glenview neighborhood.
- Capital Improvement and One-Time Initiative Reserve fund balance increased by \$2.6 million to \$7.7 million to fund the reserve at its target level in accordance with City Council directive.
- Streets Improvement Capital Projects fund balance decreased by \$0.9 million to \$0.8 million due to a high level of work effort to complete the rehabilitation of City streets, sidewalks, streetlights, traffic signals, and street medians.

Enterprise Funds Change in Net Position

- Water and Wastewater fund net position increased by \$7.8 million and \$7.3 million to \$36 million and \$29 million respectively in part to planned rate increases to maintain system reliability and ability to withstand a major earthquake. Also, net position improved because of reimbursements for utility infrastructure investments.
- Stormwater fund net position increased by \$1.4 million to \$4 million from reimbursements for utility infrastructure investments.
- Cable Television fund net position decreased by \$1.2 million to \$1 million. This decline is a result of the loss of basic cable customers. At the same time, the enterprise is experiencing growth from

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

commercial customers for high speed internet and dedicated internet access services. The City continues to monitor and evaluate the long-term viability of the Cable operations.

General Fund Budgetary Highlights

The budget comparison information presented on page 81, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund and General Reserve fund.

General Fund revenues continued to see improvement in its revenue base, with all major categories such as taxes, license and permits, intergovernmental revenues, charges for services, fines and forfeitures, use of money and property, and other revenues exceeding the final budget estimates. Actual revenues exceeded the final budget by 12%, or approximately \$4.0 million.

During the course of the year, the City was able to contain departmental budgets through careful management of City resources. Expenditures were 98% of appropriations, or approximately \$0.8 million.

The following is an explanation of significant differences between the final budget and year-end actuals:

General Fund Revenues

- Taxes were 8% over estimates as a result of higher former Redevelopment tax increment funds redistributed to taxing entities, increasing property values, higher hotel and motel occupancy rates from business travel, and an overall improvement in taxable sales transactions from the retail industry, transportation services, and restaurants.
- Licenses and permit revenues are made up of building permit revenue and business license fees. Building permit revenue was 16%, or \$148,000, over estimates due to an overall improvement in the economy. Business license revenues were 27% over estimates, or \$0.4 million, because of a general improvement in business gross receipts and new businesses locating within City limits. In addition, an unanticipated \$0.5 million in prior year business license fees was collected.
- Revenues collected from charges for services exceeded expectations by 12%, or \$0.2 million. Higher enrollment in youth sports programs, after school programs, and summer camp were key drivers in revenue growth.
- The other revenues category was 12% over estimates, or \$0.5 million, as a result of one-time sales proceeds from a City-owned property and recovery of a portion of investment income from a Lehman Brothers settlement and sale of Lehman investments.

General Fund Expenditures

- Expenditures were within budgeted appropriations by approximately 2%, or \$0.9 million, due to the City's continued efforts to control and contain operating costs within departments. This approach was particularly emphasized in each of the past six years and resulted in effective cost containment every year. In addition, cost containment was also achieved from salary and benefit savings.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

General Fund Transfers

Transfers out exceeded the final budget by \$2.8 million primarily due to transfers to the Capital Improvement and One-Time Initiative Reserve fund in accordance with the City Council adopted reserve policy.

Cash Management

The City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). To have flexibility in cash management under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in 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, 2014, net capital assets of the governmental activities totaled \$50.3 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2013-14 fiscal year, net capital assets for governmental activities increased by \$0.9 million due to additions in excess of depreciation. For the business-type activities, capital assets increased by \$8.0 million to \$63.4 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 4,161,345	\$ 3,211,345	\$ 576,842	\$ 576,842	\$ 4,738,187	\$ 3,788,187
Construction in Progress	3,132,696	4,657,189	11,806,747	4,139,152	14,939,443	8,796,341
Infrastructure	32,025,934	31,250,333	-	-	32,025,934	31,250,333
Sewer Plant	-	-	15,566,725	15,298,209	15,566,725	15,298,209
Buildings & Structures	8,591,852	7,960,895	28,661,388	28,511,787	37,253,240	36,472,682
Machinery & Equipment	2,388,829	2,320,262	6,815,591	6,944,422	9,204,420	9,264,684
Total	\$ 50,300,656	\$ 49,400,024	\$ 63,427,293	\$ 55,470,412	\$ 113,727,949	\$ 104,870,436

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

Long-Term Liabilities

Debt, a liability of governmental activities, decreased by \$5.1 million as a result of the transfer of the 2000 Certificates of Participation to the RDA Obligation Retirement Trust Fund in the amount of \$7.43 million netted against an increase in the OPEB liability of \$2.7 million, and claims liability of \$0.2 million. Debt service payments related to the pension obligation bond net of discounts and capital lease obligations amounted to \$0.76 million and \$32,336, respectively. Compensated absences increased by \$142,000. Detailed information about long-term debt and long-term liabilities can be found in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's financial outlook continues to improve. The City Council and management considered the following economic factors in preparation of the fiscal year 2014-15 budget:

- A moderate increase in revenues is primarily attributable to property tax, sales tax, transient occupancy tax, vehicle license fees, and business tax. As the largest General Fund revenue source, a 12% increase from the prior year's property tax estimate is expected to generate an additional \$0.7 million. The City's taxable sales is anticipated to grow by 4%, which translates to an additional \$0.3 million to support basic City services.
- Overall departmental operating revenues will remain relatively flat compared to the 13-14 Amended Budget. Most significant in this category is the Planning and Building revenue projection for building permit activity. The projected increase of 11% represents only ongoing building permit activity and does not include any one-time revenues. Recreation Services fees are anticipated to increase by 5% as a result of program expansion. The increased fee amounts are offset by increased expenditures for program delivery.
- Other revenue sources remain at low levels such as interest earnings. The loss of interest income from the City's advances to the Former Redevelopment Agency also has a significant budgetary impact.
- Limited service level enhancements are considered in addition to the base budget to improve and expand service delivery to the community in some key areas such as public safety response times and proactive police patrols, additional capacity to resolve code enforcement and neighborhood quality of life concerns, expand existing recreation programs in response to community requests, and adding a new level of effort to maintain additional median segments throughout the City.
- Planned water and wastewater rates increase annually by 9.8% and 10.3% as part of the City Council approved five-year rate increase program. This rate increase is based on a ten-year analysis of costs associated with the operating and capital improvement needs of the water and wastewater system.
- Cable revenues are anticipated to decline by 2.0% because of basic subscriber loss. However, recent subscriber information indicates the rate of basic subscriber loss is declining at a slower rate over a recent five-year period. At the same time, the Cable Enterprise is experiencing growth in other areas such as commercial high speed internet and dedicated internet access services.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

The adopted budget for all City funds for the new fiscal year of 2014-15, excluding capital projects, was \$74.6 million and is summarized as follows:

	FY 2014-15
General fund	\$ 36,651,893
Special revenue funds	4,607,681
Enterprise funds	27,127,649
Internal service funds	4,123,300
Total operations and projects	72,510,523
Debt service	2,107,881
Total budget	\$ 74,618,404

Budgeted Expenditures:

- The adopted General Fund budget increased approximately 4.5% from the 2013-14 budget primarily from increases in base operating costs. An increase in personnel costs stems from new labor agreements with all of the City's bargaining units. These agreements include modest salary increases along with a health plan restructure that allows for long-term cost containment. Limited service level enhancements include personnel enhancements in key areas to improve and expand service delivery to the community.
- A total of \$2.1 million is set-aside to meet debt service obligations of the City. Of this amount, \$1.2 million is budgeted in the General Debt Service Fund, \$0.5 million is budgeted in the Wastewater Fund, and \$0.4 million is budgeted in the Redevelopment Obligation Retirement Trust Fund.

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 funds 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 POSITION

JUNE 30, 2014

(With comparative totals for June 30, 2013)

	Governmental Activities	Business-Type Activities	Totals	
			2014	2013
ASSETS				
Current assets:				
Cash and investments	\$ 37,923,205	\$ 20,779,391	\$ 58,702,596	\$ 54,658,053
Cash and investments with fiscal agent	91,119	496,186	587,305	1,187,215
Receivables (net)	3,498,151	8,881,360	12,379,511	6,881,493
Prepaid Items	-	67,348	67,348	-
Internal balances	1,596,963	(1,596,963)	-	-
Total current assets	43,109,438	28,627,322	71,736,760	62,726,761
Noncurrent assets:				
Advances to fiduciary funds	2,712,264	-	2,712,264	2,977,033
Deferred charges, net	-	-	-	206,961
Due from RDA Successor Trust	-	-	-	7,430,000
Capital assets not being depreciated:				
Land	4,161,345	576,842	4,738,187	3,788,187
Construction in progress	3,132,696	11,806,747	14,939,443	8,796,341
Capital assets net of accumulated depreciation:				
Infrastructure	32,025,934	-	32,025,934	31,250,333
Buildings and improvements	8,591,852	44,228,113	52,819,965	51,770,891
Machinery and equipment	2,388,829	6,815,591	9,204,420	9,264,684
Total capital assets (net)	50,300,656	63,427,293	113,727,949	104,870,436
Total noncurrent assets	53,012,920	63,427,293	116,440,213	115,484,430
Total assets	96,122,358	92,054,615	188,176,973	178,211,191
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	-	139,870	139,870	-
Total deferred outflows of resources	-	139,870	139,870	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	5,655,797	2,396,063	8,051,860	8,133,733
Interest payable	37,323	279,719	317,042	540,657
Unearned revenue	349,976	742,281	1,092,257	1,076,187
Due within one year	2,372,376	1,499,916	3,872,292	4,416,429
Total current liabilities	8,415,472	4,917,979	13,333,451	14,167,006
Noncurrent liabilities:				
Due in more than one year	30,937,952	15,738,766	46,676,718	53,080,814
Total liabilities	39,353,424	20,656,745	60,010,169	67,247,820
NET POSITION				
Net investment in capital assets	50,124,094	46,715,688	96,839,782	86,033,911
Restricted for:				
Capital projects	1,560,330	-	1,560,330	2,200,898
Debt service	13,343	-	13,343	15
Measure A	1,835,947	-	1,835,947	1,859,508
Community services	7,203,052	-	7,203,052	6,577,349
Unrestricted	(3,967,832)	24,822,052	20,854,220	14,291,690
Total net position	\$ 56,768,934	\$ 71,537,740	\$ 128,306,674	\$ 110,963,371
Total liabilities and net position	\$ 96,122,358	\$ 92,194,485	\$ 188,316,843	\$ 178,211,191

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, 2014**

(With comparative totals for June 30, 2013)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,129,370	\$ 2,923,789	\$ 8,814,325	
Public safety	19,836,376	1,632,659	297,076	
Public works	850,759	104,982	79,471	88,658
Highways and streets	2,891,219	19,985	2,343,189	
Parks and recreation	4,717,561	1,359,079	504,818	
Library	1,685,455	92,227	16,256	
Community development	1,888,260	988,285	518,000	
Interest expense	267,977	-	-	-
Total governmental activities	44,266,977	7,121,006	12,573,135	88,658
Business-type activities:				
Water	8,770,677	15,041,156	-	-
Stormwater	739,512	1,474,221	-	-
Wastewater	9,427,956	15,470,139	-	-
Cable television	10,508,595	9,329,485	-	-
Total business-type activities	29,446,740	41,315,001	-	-
Total primary government	\$ 73,713,717	\$ 48,436,007	\$ 12,573,135	\$ 88,658

General revenues:

Taxes:

Property taxes, levied for general purposes

Transient occupancy tax

Franchise tax

Sales tax, including subvention

Cardroom taxes

Other taxes

Intergovernmental, unrestricted:

State motor vehicle in-lieu tax, including subvention

Use of money and property

Miscellaneous revenues

Total general revenues

Transfers

Total general revenues and transfers

Special item

Change in net position

Net position - Beginning

Net position - Ending

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

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2014	2013
\$ (391,256)	\$ -	\$ (391,256)	\$ (1,839,960)
(17,906,641)	-	(17,906,641)	(18,008,130)
(577,648)	-	(577,648)	83,569
(528,045)	-	(528,045)	(1,095,035)
(2,853,664)	-	(2,853,664)	(3,117,819)
(1,576,972)	-	(1,576,972)	(1,587,147)
(381,975)	-	(381,975)	(469,470)
(267,977)	-	(267,977)	(931,179)
(24,484,178)	-	(24,484,178)	(26,965,171)
-	6,270,479	6,270,479	2,488,163
-	734,709	734,709	(49,607)
-	6,042,183	6,042,183	3,013,067
-	(1,179,110)	(1,179,110)	(449,004)
-	11,868,261	11,868,261	5,002,619
(24,484,178)	11,868,261	(12,615,917)	(21,962,552)
7,391,194	-	7,391,194	6,752,943
2,790,395	-	2,790,395	2,412,368
1,957,795	-	1,957,795	1,973,837
7,678,695	-	7,678,695	7,345,212
1,652,904	-	1,652,904	1,616,868
3,267,636	-	3,267,636	2,251,707
3,503,097	-	3,503,097	3,158,217
1,678,676	242,863	1,921,539	1,401,420
(204,035)	-	(204,035)	578,188
29,716,357	242,863	29,959,220	27,490,760
(3,064,452)	3,064,452	-	-
26,651,905	3,307,315	29,959,220	27,490,760
-	-	-	(12,546,749)
2,167,727	15,175,576	17,343,303	(7,018,541)
54,601,207	56,362,164	110,963,371	117,981,912
\$ 56,768,934	\$ 71,537,740	\$ 128,306,674	\$ 110,963,371

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FUND FINANCIAL STATEMENTS

CITY OF SAN BRUNO, CALIFORNIA

BALANCE SHEET

JUNE 30, 2014

(With comparative totals for June 30, 2013)

	<u>General</u>	<u>Capital Improvement Projects Reserve</u>	<u>Emergency Disaster Reserve</u>	<u>Measure A Transportation Tax</u>
ASSETS				
Cash and investments	\$ 6,586,134	\$ 7,650,675	\$ 3,037,150	\$ 1,835,947
Receivables:				
Taxes	1,624,617	-	-	-
Interest	41,658	-	1,675	-
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	-
Loans	586,650	-	-	-
Other	1,082,463	-	-	-
Due from other funds	4,807,076	-	-	-
Total assets	<u>\$ 14,728,598</u>	<u>\$ 7,650,675</u>	<u>\$ 3,038,825</u>	<u>\$ 1,835,947</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,440,625	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	349,976	-	-	-
Total liabilities	<u>3,790,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	586,650	-	-	-
Restricted	-	-	-	1,835,947
Committed	-	7,650,675	3,038,825	-
Assigned	254,698	-	-	-
Unassigned	10,096,649	-	-	-
Total fund balances	<u>10,937,997</u>	<u>7,650,675</u>	<u>3,038,825</u>	<u>1,835,947</u>
Total liabilities and fund balances	<u>\$ 14,728,598</u>	<u>\$ 7,650,675</u>	<u>\$ 3,038,825</u>	<u>\$ 1,835,947</u>

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

PG&E Emergency Disaster Reimbursement	Street Improvement Capital Projects	Non Major Governmental Funds	2014	2013
\$ 1,505,204	\$ 1,193,767	\$ 7,981,860	\$ 29,790,737	\$ 26,651,105
-	-	30,874	1,655,491	1,039,195
-	-	-	43,333	46,322
-	-	11,957	11,957	11,643
-	-	18,084	18,084	550,590
-	-	90,000	676,650	638,075
-	-	10,173	1,092,636	1,429,961
-	-	-	4,807,076	3,602,427
<u>\$ 1,505,204</u>	<u>\$ 1,193,767</u>	<u>\$ 8,142,948</u>	<u>\$ 38,095,964</u>	<u>\$ 33,969,318</u>
\$ 1,505,204	\$ 381,626	\$ 178,364	\$ 5,505,819	\$ 4,782,068
-	-	42,705	42,705	39,083
-	-	-	349,976	326,669
<u>1,505,204</u>	<u>381,626</u>	<u>221,069</u>	<u>5,898,500</u>	<u>5,147,820</u>
-	-	-	586,650	548,075
-	812,141	7,964,584	10,612,672	11,120,226
-	-	-	10,689,500	8,093,269
-	-	-	254,698	238,060
-	-	(42,705)	10,053,944	8,821,868
-	812,141	7,921,879	32,197,464	28,821,498
<u>\$ 1,505,204</u>	<u>\$ 1,193,767</u>	<u>\$ 8,142,948</u>	<u>\$ 38,095,964</u>	<u>\$ 33,969,318</u>

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2014**

Total fund balances - total governmental funds	\$ 32,197,464
Amounts reported for governmental activities in the Statement of Net Position 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.	50,300,656
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	10,935,851
Accounts payable and accrued liabilities	(149,978)
Liability for claims	(3,286,000)
Compensated absences	(162,497)
Net amount allocated to business-type activities	(3,167,408)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	
Pension obligation bonds	(11,791,267)
Leases payable	(176,562)
Accrued interest payable	(37,323)
Compensated absences	(2,374,002)
Net OPEB obligation	(15,520,000)
Net position of governmental activities	<u><u>\$ 56,768,934</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 POSITION
JUNE 30, 2014**

	Governmental Funds Balance Sheet	Internal Service Balances	Eliminations Reclassifications	Changes in GAAP	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 29,790,737	\$ 8,132,468	\$ -	\$ -	\$ 37,923,205
Cash and investments with fiscal agent/trustee	-	91,119	-	-	91,119
Receivables (net)	3,498,151	-	-	-	3,498,151
Due from other funds	4,807,076	-	(4,807,076)	-	-
Internal balances	-	-	4,764,371	(3,167,408)	1,596,963
Total current assets	<u>38,095,964</u>	<u>8,223,587</u>	<u>(42,705)</u>	<u>(3,167,408)</u>	<u>43,109,438</u>
Noncurrent assets:					
Advances to fiduciary funds	-	2,712,264	-	-	2,712,264
Capital assets not being depreciated:					
Land	-	-	-	4,161,345	4,161,345
Construction in progress	-	-	-	3,132,696	3,132,696
Capital assets net of accumulated depreciation:					
Infrastructure	-	-	-	32,025,934	32,025,934
Buildings and improvements	-	-	-	8,591,852	8,591,852
Machinery and equipment	-	-	-	2,388,829	2,388,829
Total noncurrent assets	<u>-</u>	<u>2,712,264</u>	<u>-</u>	<u>50,300,656</u>	<u>53,012,920</u>
Total assets	<u>\$ 38,095,964</u>	<u>\$ 10,935,851</u>	<u>\$ (42,705)</u>	<u>\$ 47,133,248</u>	<u>\$ 96,122,358</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 5,505,819	\$ 149,978	\$ -	\$ -	\$ 5,655,797
Due to other funds	42,705	-	(42,705)	-	-
Interest payable	-	-	-	37,323	37,323
Unearned revenue	349,976	-	-	-	349,976
Due within one year	-	-	-	798,771	798,771
Compensated absences	-	119,724	-	1,453,881	1,573,605
Total current liabilities	<u>5,898,500</u>	<u>269,702</u>	<u>(42,705)</u>	<u>2,289,975</u>	<u>8,415,472</u>
Noncurrent liabilities:					
Pension Obligation Bonds	-	-	-	11,025,785	11,025,785
Compensated absences	-	42,773	-	920,121	962,894
Due after one year	-	-	-	143,273	143,273
Liability for claims	-	3,286,000	-	-	3,286,000
Net OPEB obligation	-	-	-	15,520,000	15,520,000
Total noncurrent liabilities	<u>-</u>	<u>3,328,773</u>	<u>-</u>	<u>27,609,179</u>	<u>30,937,952</u>
Total liabilities	<u>5,898,500</u>	<u>3,598,475</u>	<u>(42,705)</u>	<u>29,899,154</u>	<u>39,353,424</u>
NET POSITION					
Net investment in capital assets	-	-	-	50,124,094	50,124,094
Restricted for:					
Capital projects	1,560,330	-	-	-	1,560,330
Debt service	13,343	-	-	-	13,343
Measure A	1,835,947	-	-	-	1,835,947
Community services	7,203,052	-	-	-	7,203,052
Unrestricted (deficit)	21,584,792	7,337,376	-	(32,890,000)	(3,967,832)
Total net position	<u>32,197,464</u>	<u>7,337,376</u>	<u>-</u>	<u>17,234,094</u>	<u>56,768,934</u>
Total liabilities and net position	<u>\$ 38,095,964</u>	<u>\$ 10,935,851</u>	<u>\$ (42,705)</u>	<u>\$ 47,133,248</u>	<u>\$ 96,122,358</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, 2014**

(With comparative totals for June 30, 2013)

	<u>General</u>	<u>Capital Improvement Projects Reserve</u>	<u>Emergency Disaster Reserve</u>	<u>Measure A Transportation Tax</u>
REVENUES:				
Taxes	\$ 21,908,894	\$ -	\$ -	\$ 869,111
Licenses and permits	3,635,667	-	-	-
Intergovernmental	3,520,324	-	-	-
Charges for services	2,755,051	-	-	-
Fines and forfeitures	654,000	-	-	-
Use of money and property	1,545,234	-	7,316	17,557
Other revenues	4,950,472	-	-	-
Total revenues	38,969,642	-	7,316	886,668
EXPENDITURES:				
Current:				
General government	3,892,390	-	-	-
Public safety	19,840,437	-	-	-
Public works	802,428	-	-	-
Highways and streets	1,167,267	-	-	-
Parks and recreation	4,301,457	-	-	-
Library	1,620,809	-	-	-
Community development	1,804,656	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	33,429,444	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	5,540,198	-	7,316	886,668
OTHER FINANCING SOURCES (USES):				
Transfers in	1,051,955	2,588,915	-	-
Transfers out	(5,289,187)	-	-	(910,229)
Total other financing sources (uses)	(4,237,232)	2,588,915	-	(910,229)
Net change in fund balances	1,302,966	2,588,915	7,316	(23,561)
FUND BALANCES:				
Beginning of year	9,635,031	5,061,760	3,031,509	1,859,508
End of year	<u>\$ 10,937,997</u>	<u>\$ 7,650,675</u>	<u>\$ 3,038,825</u>	<u>\$ 1,835,947</u>

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

PG&E Emergency Disaster Reimbursement	Street Improvement Capital Projects	Non Major Governmental Funds	Totals	
			2014	2013
\$ -	\$ -	\$ 1,370,767	\$ 24,148,772	\$ 22,433,688
-	-	619,921	4,255,588	2,834,980
-	-	488,793	4,009,117	4,416,017
-	-	71,526	2,826,577	3,120,324
-	-	-	654,000	676,421
-	7,492	101,077	1,678,676	1,263,400
7,054,254	-	125,735	12,130,461	9,147,023
<u>7,054,254</u>	<u>7,492</u>	<u>2,777,819</u>	<u>49,703,191</u>	<u>43,891,853</u>
4,386,778	-	675,888	8,955,056	8,683,516
-	-	11,029	19,851,466	19,687,555
-	-	54,131	856,559	876,159
-	2,521,086	1,427	3,689,780	2,804,070
-	-	152,524	4,453,981	4,310,157
-	-	10,275	1,631,084	1,628,841
-	-	67,471	1,872,127	1,504,058
-	-	360,076	360,076	1,161,609
-	-	807,336	807,336	386,409
-	-	410,689	410,689	542,606
<u>4,386,778</u>	<u>2,521,086</u>	<u>2,550,846</u>	<u>42,888,154</u>	<u>41,584,980</u>
2,667,476	(2,513,594)	226,973	6,815,037	2,306,873
-	1,666,727	2,669,810	7,977,407	9,588,612
(3,149,932)	(5,300)	(2,061,830)	(11,416,478)	(9,268,201)
<u>(3,149,932)</u>	<u>1,661,427</u>	<u>607,980</u>	<u>(3,439,071)</u>	<u>320,411</u>
(482,456)	(852,167)	834,953	3,375,966	2,627,284
482,456	1,664,308	7,086,926	28,821,498	26,194,214
<u>\$ -</u>	<u>\$ 812,141</u>	<u>\$ 7,921,879</u>	<u>\$ 32,197,464</u>	<u>\$ 28,821,498</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, 2014**

Net change in fund balances- total governmental funds		\$ 3,375,966
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	\$ 3,996,898	
Capital asset retirements	(500,130)	
Depreciation expense	<u>(2,596,134)</u>	
Net decrease from capital outlay expenses.		900,634
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 Position:		
Change in Net OPEB obligation		(2,749,100)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Capital lease obligation principal payments		32,336
Pension obligation bond principal payments and discount amortization		755,482
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		162,230
Accrued compensated absences		(93,529)
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 attributed to governmental activities.		
		<u>(216,292)</u>
Change in net position of governmental activities.		<u><u>\$ 2,167,727</u></u>

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

CITY OF SAN BRUNO, CALIFORNIA

**RECONCILIATION OF THE EXPENDITURES OF THE FUND BASIS STATEMENTS TO
THE EXPENSES OF THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

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	\$ 8,955,056	\$ 93,529	\$ 395,210	\$ (457,897)	\$ 34,296	\$ 2,749,100	\$ 11,769,294
Public safety	19,851,466	-	289,661	(472,736)	167,985	-	19,836,376
Public works	856,559	-	29,625	(49,838)	14,413	-	850,759
Highways and streets	3,689,780	-	1,630,981	(2,447,249)	17,707	-	2,891,219
Parks and recreation	4,453,981	-	201,006	(43,843)	106,417	-	4,717,561
Library	1,631,084	-	26,865	-	27,506	-	1,685,455
Community development	1,872,127	-	22,786	(25,205)	18,552	-	1,888,260
Capital outlay	360,076	-	-	-	-	-	360,076
Debt service/Interest expense	1,218,025	(950,048)	-	-	-	-	267,977
Total governmental activities	<u>42,888,154</u>	<u>(856,519)</u>	<u>2,596,134</u>	<u>(3,496,768)</u>	<u>386,876</u>	<u>2,749,100</u>	<u>44,266,977</u>
Business-type activities:							
Water	8,722,970	-	-	-	47,707	-	8,770,677
Stormwater	692,171	-	-	-	47,341	-	739,512
Wastewater	9,417,736	-	-	-	10,220	-	9,427,956
Cable television	10,484,886	-	-	-	23,709	-	10,508,595
Total business-type activities	<u>29,317,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,977</u>	<u>-</u>	<u>29,446,740</u>
Total expenditures/expenses	<u>\$ 72,205,917</u>	<u>\$ (856,519)</u>	<u>\$ 2,596,134</u>	<u>\$ (3,496,768)</u>	<u>\$ 515,853</u>	<u>\$ 2,749,100</u>	<u>\$ 73,713,717</u>

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

CITY OF SAN BRUNO, CALIFORNIA

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014**

(With comparative totals for June 30, 2013)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$ 13,231,895	\$ 151,271	\$ 7,396,225
Cash and investments with fiscal agent/trustee	-	-	496,186
Accounts receivable	3,800,668	882,949	3,370,839
Prepaid items	-	-	-
Total current assets	17,032,563	1,034,220	11,263,250
Noncurrent assets:			
Advance to Redevelopment Agency Obligation Retirement Fund	-	-	-
Deferred charges, net	-	-	-
Property, plant and equipment (net)	20,307,210	2,999,777	35,656,090
Total noncurrent assets	20,307,210	2,999,777	35,656,090
Total assets	37,339,773	4,033,997	46,919,340
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on refunding	-	-	139,870
Total deferred outflows of resources	-	-	139,870
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable and accrued liabilities	912,274	11,394	964,610
Due to other funds	-	-	-
Interest payable	-	-	278,011
Unearned revenue	-	-	-
Compensated absences - current	61,620	-	54,953
Long term debt - due within one year	-	-	1,116,719
Total current liabilities	973,894	11,394	2,414,293
Noncurrent liabilities:			
Compensated absences - noncurrent	63,046	10,084	51,605
Long term debt - due in more than one year	-	-	15,557,941
Liability for claims - non-current	-	-	-
Total noncurrent liabilities	63,046	10,084	15,609,546
Total liabilities	1,036,940	21,478	18,023,839
Net Position			
Net investment in capital assets	20,307,210	2,999,777	18,981,430
Unrestricted (deficit)	15,995,623	1,012,742	10,053,941
Total net position	\$ 36,302,833	\$ 4,012,519	\$ 29,035,371
Reconciliation to government-wide statement of net position:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 1,517,958	\$ 106,499	\$ 652,532
Net position of business-type activities	\$ 37,820,791	\$ 4,119,018	\$ 29,687,903

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	
	2014	2013	2014	2013
\$ -	\$ 20,779,391	\$ 20,123,828	\$ 8,132,468	\$ 7,883,120
-	496,186	1,096,096	91,119	91,119
826,904	8,881,360	3,151,287	-	14,420
67,348	67,348	-	-	-
<u>894,252</u>	<u>30,224,285</u>	<u>24,371,211</u>	<u>8,223,587</u>	<u>7,988,659</u>
-	-	-	2,712,264	2,977,033
-	-	206,961	-	-
4,464,216	63,427,293	55,470,412	-	-
<u>4,464,216</u>	<u>63,427,293</u>	<u>55,677,373</u>	<u>2,712,264</u>	<u>2,977,033</u>
5,358,468	93,651,578	80,048,584	10,935,851	10,965,692
-	139,870	-	-	-
<u>-</u>	<u>139,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
507,785	2,396,063	3,238,957	149,978	112,708
4,764,371	4,764,371	3,563,344	-	-
1,708	279,719	341,102	-	-
742,281	742,281	749,518	-	-
229,679	346,252	299,212	119,724	61,101
36,945	1,153,664	1,655,656	-	-
<u>6,282,769</u>	<u>9,682,350</u>	<u>9,847,789</u>	<u>269,702</u>	<u>173,809</u>
56,090	180,825	163,045	42,773	53,238
-	15,557,941	16,971,971	-	-
-	-	-	3,286,000	3,056,000
<u>56,090</u>	<u>15,738,766</u>	<u>17,135,016</u>	<u>3,328,773</u>	<u>3,109,238</u>
6,338,859	25,421,116	26,982,805	3,598,475	3,283,047
4,427,271	46,715,688	36,842,785	-	-
(5,407,662)	21,654,644	16,222,994	7,337,376	7,682,645
<u>\$ (980,391)</u>	<u>\$ 68,370,332</u>	<u>\$ 53,065,779</u>	<u>\$ 7,337,376</u>	<u>\$ 7,682,645</u>
\$ 890,419	\$ 3,167,408	\$ 3,296,385		
<u>\$ (89,972)</u>	<u>\$ 71,537,740</u>	<u>\$ 56,362,164</u>		

CITY OF SAN BRUNO, CALIFORNIA

PROPRIETARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

(With comparative totals for the year ended June 30, 2013)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 12,205,712	\$ -	\$ -
Sewer service charges	-	-	13,162,164
Cable television charges	-	-	-
Other service charges	80,460	559,729	87,541
Other operating revenue	2,754,984	914,492	2,220,434
Insurance cost allocation	-	-	-
Total operating revenues	15,041,156	1,474,221	15,470,139
OPERATING EXPENSES:			
Water supply	5,290,423	-	-
Distribution	2,675,375	625,262	-
Customer accounting	(307)	-	-
Treatment	-	-	6,748,392
Cable operations	-	-	-
Central garage	-	-	-
Insurance expenses	-	-	-
Equipment replacement	-	-	-
Technology support	-	-	-
Facilities maintenance	-	-	-
Depreciation and amortization	757,479	66,909	2,162,843
Total operating expenses	8,722,970	692,171	8,911,235
OPERATING INCOME (LOSS)	6,318,186	782,050	6,558,904
NONOPERATING REVENUES (EXPENSES):			
Investment income	136,622	26,564	79,677
Interest and debt service expenses	-	-	(506,501)
Total non-operating revenues (expenses), net	136,622	26,564	(426,824)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	6,454,808	808,614	6,132,080
Transfers in (out)	1,395,160	584,960	1,151,137
CHANGE IN NET POSITION	7,849,968	1,393,574	7,283,217
NET POSITON:			
Beginning of year	28,452,865	2,618,945	21,752,154
End of year	<u>\$ 36,302,833</u>	<u>\$ 4,012,519</u>	<u>\$ 29,035,371</u>
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (47,707)	\$ (47,341)	\$ (10,220)
Change in net position of business-type activities - End of year	<u>\$ 7,802,261</u>	<u>\$ 1,346,233</u>	<u>\$ 7,272,997</u>

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	
	2014	2013	2014	2013
\$ -	\$ 12,205,712	\$ 11,535,489	\$ -	\$ -
-	13,162,164	12,168,194	-	-
9,300,382	9,300,382	9,620,972	-	-
29,103	756,833	751,722	2,009,341	2,018,746
-	5,889,910	145,718	-	-
-	-	-	1,805,616	1,762,480
<u>9,329,485</u>	<u>41,315,001</u>	<u>34,222,095</u>	<u>3,814,957</u>	<u>3,781,226</u>
-	5,290,423	5,533,899	-	-
-	3,300,637	3,191,503	-	-
-	(307)	307,900	-	-
-	6,748,392	6,950,728	-	-
9,785,224	9,785,224	9,410,288	-	-
-	-	-	538,787	591,513
-	-	-	2,121,500	2,386,362
-	-	-	92,336	197,394
-	-	-	599,690	517,163
-	-	-	978,497	905,912
684,534	3,671,765	2,943,618	-	-
<u>10,469,758</u>	<u>28,796,134</u>	<u>28,337,936</u>	<u>4,330,810</u>	<u>4,598,344</u>
(1,140,273)	12,518,867	5,884,159	(515,853)	(817,118)
-	242,863	138,020	-	-
(15,128)	(521,629)	(698,506)	-	-
(15,128)	(278,766)	(560,486)	-	-
(1,155,401)	12,240,101	5,323,673	(515,853)	(817,118)
(66,805)	3,064,452	(58,075)	170,584	315,852
(1,222,206)	15,304,553	5,265,598	(345,269)	(501,266)
241,815	53,065,779	47,800,181	7,682,645	8,183,911
<u>\$ (980,391)</u>	<u>\$ 68,370,332</u>	<u>\$ 53,065,779</u>	<u>\$ 7,337,376</u>	<u>\$ 7,682,645</u>
\$ (23,709)	\$ (128,977)	\$ (183,034)		
<u>\$ (1,245,915)</u>	<u>\$ 15,175,576</u>	<u>\$ 5,082,564</u>		

CITY OF SAN BRUNO, CALIFORNIA

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

(With comparative totals for the year ended June 30, 2013)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	12,442,218	608,824	13,197,106
Cash payments to suppliers for goods and services	(6,082,062)	(290,874)	(5,663,650)
Cash payments to employees for services	(2,024,947)	(332,778)	(1,610,908)
Net cash provided by (used by) operating activities	4,335,209	(14,828)	5,922,548
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments from other funds	-	-	-
Transfers received from other funds	-	-	-
Transfers paid to other funds	1,395,160	584,960	1,151,137
Net cash provided by noncapital financing activities	1,395,160	584,960	1,151,137
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(4,989,101)	(1,169,997)	(5,208,789)
Principal payments on long-term debt	-	-	(1,625,625)
Interest paid on long-term debt	-	-	(567,884)
Net cash (used) by capital and related financing activities	(4,989,101)	(1,169,997)	(7,402,298)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	136,622	26,564	79,677
Net increase (decrease) in cash and cash equivalents	877,890	(573,301)	(248,936)
CASH AND CASH EQUIVALENTS:			
Beginning of year	12,354,005	724,572	8,141,347
End of year	<u>\$ 13,231,895</u>	<u>\$ 151,271</u>	<u>\$ 7,892,411</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Cash and investments	\$ 13,231,895	\$ 151,271	\$ 7,396,225
Cash and investments held by trustees	-	-	496,186
Total Cash and Cash Equivalents, End of Year	<u>\$ 13,231,895</u>	<u>\$ 151,271</u>	<u>\$ 7,892,411</u>
Reconciliation of income (loss) from operations to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 6,318,186	\$ 782,050	\$ 6,558,904
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	757,479	66,909	2,162,843
(Increase) decrease in current assets:			
Accounts receivable	(2,598,938)	(865,397)	(2,273,033)
Prepaid items	-	-	206,961
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(166,472)	(230)	(739,098)
Unearned revenue	-	-	-
Compensated absences	24,954	1,840	5,971
Other long-term liabilities	-	-	-
Increase (decrease) in claims liability - noncurrent	-	-	-
Net cash provided by (used for) operating activities	\$ 4,335,209	\$ (14,828)	\$ 5,922,548

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	
	2014	2013	2014	2013
\$ -	\$ -	\$ -	\$ 3,829,377	\$ 3,774,785
9,329,543	35,577,691	33,939,063	-	-
(7,489,288)	(19,525,874)	(18,943,022)	(4,015,382)	(3,776,782)
(2,268,323)	(6,236,956)	(5,970,690)	-	-
(428,068)	9,814,861	9,025,351	(186,005)	(1,997)
-	-	-	264,769	-
1,201,027	1,201,027	632,460	430,584	456,984
(66,805)	3,064,452	(58,075)	(260,000)	(141,132)
1,134,222	4,265,479	574,385	435,353	315,852
(260,759)	(11,628,646)	(5,220,643)	-	-
(430,267)	(2,055,892)	(1,597,178)	-	-
(15,128)	(583,012)	(719,341)	-	-
(706,154)	(14,267,550)	(7,537,162)	-	-
-	242,863	138,020	-	-
-	55,653	2,200,594	249,348	313,855
-	21,219,924	19,019,330	7,974,239	7,660,384
<u>\$ -</u>	<u>\$ 21,275,577</u>	<u>\$ 21,219,924</u>	<u>\$ 8,223,587</u>	<u>\$ 7,974,239</u>
\$ -	\$ 20,779,391	\$ 20,123,828	\$ 8,132,468	\$ 7,883,120
-	496,186	1,096,096	91,119	91,119
<u>\$ -</u>	<u>\$ 21,275,577</u>	<u>\$ 21,219,924</u>	<u>\$ 8,223,587</u>	<u>\$ 7,974,239</u>
\$ (1,140,273)	\$ 12,518,867	\$ 5,884,159	\$ (515,853)	\$ (817,118)
684,534	3,671,765	2,943,618	-	-
7,295	(5,730,073)	(255,163)	14,420	(6,441)
(67,348)	139,613	10,892	-	-
62,906	(842,894)	521,603	37,270	(55,196)
(7,237)	(7,237)	(27,869)	-	-
32,055	64,820	(21,889)	48,158	11,227
-	-	(30,000)	-	-
-	-	-	230,000	865,531
<u>\$ (428,068)</u>	<u>\$ 9,814,861</u>	<u>\$ 9,025,351</u>	<u>\$ (186,005)</u>	<u>\$ (1,997)</u>

CITY OF SAN BRUNO, CALIFORNIA

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

(With comparative totals for the year ended June 30, 2013)

	Redevelopment Agency Obligation Retirement Trust Fund		Agency Funds	
	2014	2013	2014	2013
		<u>2014</u>	<u>2013</u>	<u>2014</u>
ASSETS				
Cash and investments	\$ 1,274,422	\$ 866,040	\$ 69,356,592	\$ 69,297,227
Cash and investments with fiscal agent/trustee	649,993	649,975	-	-
Accounts receivable	-	-	349,261	364,747
Land held for resale	-	566,000	-	-
Total assets	<u>\$ 1,924,415</u>	<u>\$ 2,082,015</u>	<u>\$ 69,705,853</u>	<u>\$ 69,661,974</u>
LIABILITIES				
Accounts payable	\$ 170,625	\$ 164,320	\$ 69,633,758	\$ 69,591,309
Interest payable	155,674	-	-	-
Other liabilities	-	-	72,095	70,665
Long term obligation due to the City of San Bruno	-	7,430,000	-	-
Advances from the City of San Bruno	2,712,264	2,977,033	-	-
Certificates of Participation	7,170,000	-	-	-
Total liabilities	<u>10,208,563</u>	<u>10,571,353</u>	<u>\$ 69,705,853</u>	<u>\$ 69,661,974</u>
NET POSITION				
Restricted net position held in trust	(8,284,148)	(8,489,338)		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,924,415</u>	<u>\$ 2,082,015</u>		

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

CITY OF SAN BRUNO, CALIFORNIA

**FIDUCIARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	Redevelopment Agency Obligation Retirement Trust Fund	
	2014	2013
ADDITIONS		
Administration allowance	\$ 66,088	\$ 144,626
Taxes	1,223,831	900,976
Other revenues	19	12
Transfers in	299,864	-
TOTAL ADDITIONS	1,589,802	1,045,614
DEDUCTIONS		
Community development	180,751	4,136,793
Administrative expenses	-	161,976
Interest and fiscal charges	542,032	-
Transfers out	95,829	578,188
TOTAL DEDUCTIONS	818,612	4,876,957
NET INCOME (LOSS) BEFORE SPECIAL ITEMS	771,190	(3,831,343)
Special item (Note 17)	(566,000)	-
CHANGES IN NET POSITION	205,190	(3,831,343)
NET POSITION -Beginning of the year	(8,489,338)	(4,657,995)
NET POSITION -End of the year	\$ (8,284,148)	\$ (8,489,338)

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, 2014**

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CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

Successor Agency to the Former Redevelopment Agency of the City of San Bruno

Successor Agency to the Redevelopment Agency of the City of San Bruno is a component unit that is fiduciary in nature and was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of San Bruno. The Successor Agency to the Redevelopment Agency of the City of San Bruno is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies, two of which are City officials. The transactions for the Successor Agency to the Redevelopment Agency of the City of San Bruno are accounted for separately in the Redevelopment Agency Obligation Retirement Trust Fund.

Basis of Presentation

Government-Wide Financial Statements

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

- 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 are reported as major funds due to the significance to the users of the financial statements.

The funds of the financial reporting entity are described below:

Governmental Activities

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

Debt Service Funds

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 service funds are used to account for equipment servicing other funds, central garage, insurance programs, technology development and facility maintenance. These funds are eliminated as part of the reconciliation process and treated as governmental activities, since these are the primary funds served. The percentage contribution by function to these funds was as follows:

Governmental activities:	
General government	7%
Public safety	33%
Public works	3%
Highways and streets	3%
Parks and recreation	21%
Library	5%
Community development	3%
Business-type activities:	
Water	9%
Stormwater	2%
Wastewater	9%
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, San Bruno Community Foundation 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, 2014

Trust Funds

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

Major and Non-Major Governmental Funds

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

Fund Type

Brief Description

Major:

General

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

Special Revenue Funds:

Capital Improvement Projects Reserve

Accounts for amounts committed by City Council to be used for projects and initiatives throughout the City that have no other identifiable funding source. There are no major sources of revenues for this fund.

Emergency Disaster Reserve

Accounts for amounts committed by City Council to be used in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget. There are no major sources of revenues for this fund.

Measure A Transportation Tax

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

PG&E Emergency Disaster Reimbursement

Accounts for funds to be used for rebuilding the Crestmoor/Glenview Neighborhood.

Capital Projects Funds:

Street Improvement

Accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals, and street medians.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

Debt Service Funds:

General	Accounts for funds related to the fire apparatus lease purchase and 2013 Pension Obligation Bond principal and interest payments.
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Capital Projects Funds:

General	Accounts for funds expended on the improvement and development of the City's facilities, infrastructure, and major equipment used to deliver services to the community.
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CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Measurement Focus

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

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-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 position.
- c. Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the City.

Basis of Accounting

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

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

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, 2014

Interfund Receivables and Payables

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

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 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, significant 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.

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, 2014

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) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems and are capitalized at \$100,000.

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

Government-Wide Statements

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

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

Infrastructure	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, 2014

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.

Net Position/Fund Balance Classification

Government-Wide Statements

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

- a. *Net investment in capital assets* – 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 position* – consists of net position 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 position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Fund Financial Statements

Governmental fund balances are 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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In all other governmental funds, if expenditures incurred for specific purpose that exceed the amounts that are restricted, committed or assigned to those purposes, a negative unassigned fund balance is reported in that fund.

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

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

Prior Year 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, 2014

Budgetary Policies

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Budgets for the General, Major Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
4. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2014, 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.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2014, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturity (in years)					Deposits	Fair Market Value
	Less than 1	1 to 2	2 to 3	3 to 4	4 to 5		
Cash equivalents and investment pooled							
Cash - Bank of America	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,119	\$ 91,119
Cash - First National Bank	-	-	-	-	-	4,734,805	4,734,805
Cash - Union Bank	-	-	-	-	-	1,190,063	1,190,063
Cash - Wells Fargo	-	-	-	-	-	(1,150,652)	(1,150,652)
Petty cash	-	-	-	-	-	62,874	62,874
Total pooled cash	-	-	-	-	-	4,928,209	4,928,209
Interest obligations							
Black Rock Institutional Funds T-Funds (Union Bank)	436,946	-	-	-	-	-	436,946
County of San Mateo Investment Pool	-	18,268,791	-	-	-	-	18,268,791
Highmark US Government Money Market Fund (Union Bank)	649,993	-	-	-	-	-	649,993
State of California Local Agency Investment Fund	-	17,317,198	-	-	-	-	17,317,198
Federal Home Loan Banks (Union Bank)	-	-	1,004,470	985,050	1,986,480	-	3,976,000
Federal Farm Credit Backed	-	1,997,960	-	-	-	-	1,997,960
Federal Home Loan Bank Bonds (Union Bank)	-	-	1,000,900	4,000,960	1,002,320	-	6,004,180
Federal National Mortgage Association (Union Bank)	-	-	2,994,770	1,990,580	-	-	4,985,350
State of California Local Municipal Bond	-	-	-	-	2,011,680	-	2,011,680
US Treasury Bill (Wells Fargo)	69,994,601	-	-	-	-	-	69,994,601
Total pooled investments-interest obligations	71,081,540	37,583,949	5,000,140	6,976,590	5,000,480	-	125,642,699
Total cash equivalents and investment pooled	\$ 71,081,540	\$ 37,583,949	\$ 5,000,140	\$ 6,976,590	\$ 5,000,480	\$ 4,928,209	\$ 130,570,908
Amounts reported in:							
Governmental activities							\$ 38,014,324
Business-type activities							21,275,577
Fiduciary activities - Agency funds							71,281,007
Total							\$ 130,570,908

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, 2014

Credit risk: As of June 30, 2014, the City's major 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>
AA+ rated:	
<i>Available for Operations:</i>	
U.S. Government Agency Obligations	\$ 16,963,491
<i>Restricted:</i>	
Money Market Funds	1,086,938
A rated:	
<i>Available for Operations:</i>	
State of California Municipal Bonds	2,011,680
Not Rated:	
County of San Mateo Investment Pool	18,268,791
California Local Agency Investment Funds	17,317,198
U.S. Treasury Bills	69,994,601
Exempt from credit rate disclosure:	
Demand Deposits	4,928,209
Total Cash and Investments	<u>\$ 130,570,908</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, and concentration of credit risk.

During the year ended June 30, 2014, 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, 2014**

During the year ended June 30, 2014, the City’s permissible investments for debt service fiscal agents included the following instruments:

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

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, 2014:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Taxes	\$ 1,655,491	\$ -	\$ -	\$ 1,655,491
Interest	43,333	-	-	43,333
Intergovernmental subventions	11,957	-	-	11,957
Intergovernmental grants	18,084	-	-	18,084
Service charges	-	8,881,360	349,261	9,230,621
Loans	676,650	-	-	676,650
Expense reimbursements	1,092,636	-	-	1,092,636
	<u>\$ 3,498,151</u>	<u>\$ 8,881,360</u>	<u>\$ 349,261</u>	<u>\$ 12,728,772</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 4 - CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Nondepreciable						
Land	\$ 4,161,345	\$ 3,211,345	\$ 576,842	\$ 576,842	\$ 4,738,187	\$ 3,788,187
Construction in progress	3,132,696	4,657,189	11,806,747	4,139,152	14,939,443	8,796,341
Depreciable property						
Infrastructure, net	32,025,934	31,250,333	-	-	32,025,934	31,250,333
Sewer Plant	-	-	15,566,725	15,298,209	15,566,725	15,298,209
Building and improvements, net	8,591,852	7,960,895	28,661,388	28,511,787	37,253,240	36,472,682
Machinery and equipment, net	2,388,829	2,320,262	6,815,591	6,944,422	9,204,420	9,264,684
Total	<u>\$ 50,300,656</u>	<u>\$ 49,400,024</u>	<u>\$ 63,427,293</u>	<u>\$ 55,470,412</u>	<u>\$ 113,727,949</u>	<u>\$ 104,870,436</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Capital asset activity for the year ended June 30, 2014 for governmental activities was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
GOVERNMENTAL ACTIVITIES				
Cost of property				
Non-depreciable property				
Land	\$ 3,211,345	\$ 950,000	\$ -	\$ 4,161,345
Construction in progress	4,657,189	402,592	(1,927,085)	3,132,696
Depreciable property				
Infrastructure	72,173,449	2,441,583	-	74,615,032
Buildings and improvements	13,941,940	1,560,115	(590,074)	14,911,981
Machinery and equipment	10,261,900	569,693	(50,702)	10,780,891
Total cost	<u>104,245,825</u>	<u>5,923,983</u>	<u>(2,567,861)</u>	<u>107,601,945</u>
Accumulated depreciation				
Infrastructure	(40,923,116)	(1,665,982)	-	(42,589,098)
Buildings and improvements	(5,981,046)	(437,055)	97,972	(6,320,129)
Machinery and equipment	(7,941,639)	(493,097)	42,674	(8,392,062)
Total accumulated depreciation	<u>(54,845,801)</u>	<u>(2,596,134)</u>	<u>140,646</u>	<u>(57,301,289)</u>
Net Book Value				
Non-depreciable property				
Land	3,211,345	950,000	-	4,161,345
Construction in progress	4,657,189	402,592	(1,927,085)	3,132,696
Depreciable property				
Infrastructure	31,250,333	775,601	-	32,025,934
Buildings and improvements	7,960,895	1,123,060	(492,102)	8,591,853
Machinery and equipment	2,320,262	76,596	(8,028)	2,388,830
Net book value	<u>\$ 49,400,024</u>	<u>\$ 3,327,849</u>	<u>\$ (2,427,215)</u>	<u>\$ 50,300,658</u>

Depreciation expense for governmental activities for the year ended June 30, 2014 was as follows:

General government	\$ 395,210
Public safety	289,661
Public works	29,625
Highway and streets	1,630,981
Parks and recreation	201,006
Library	26,865
Community development	22,786
Total depreciation expense	<u>\$ 2,596,134</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Capital asset activity for the year ended June 30, 2014 for business-type activities was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
BUSINESS-TYPE ACTIVITIES:				
Cost of property				
Water				
Land	\$ 76,842	\$ -	\$ -	\$ 76,842
Construction in progress	2,419,718	4,939,199	(245,024)	7,113,893
Buildings and improvements	19,986,299	246,632	-	20,232,931
Machinery and equipment	3,547,133	48,294	0	3,595,427
Total cost	<u>26,029,992</u>	<u>5,234,125</u>	<u>(245,024)</u>	<u>31,019,093</u>
Stormwater				
Construction in progress	449,018	933,910	(342,637)	1,040,291
Buildings and improvements	1,213,982	363,493	-	1,577,475
Machinery and equipment	701,292	215,231	-	916,523
Total cost	<u>2,364,292</u>	<u>1,512,634</u>	<u>(342,637)</u>	<u>3,534,289</u>
Wastewater				
Construction in progress	1,270,415	3,147,494	(765,345)	3,652,564
Sewer plant	24,191,132	1,236,162	-	25,427,294
Buildings and improvements	17,815,285	852,433	-	18,667,718
Machinery and equipment	2,788,713	301,608	-	3,090,321
Total cost	<u>46,065,545</u>	<u>5,537,697</u>	<u>(765,345)</u>	<u>50,837,897</u>
Cable Television				
Land	500,000	-	-	500,000
Construction in progress	-	-	-	-
Buildings and improvements	3,030,888	-	-	3,030,888
Machinery and equipment	15,049,999	260,759	-	15,310,758
Total cost	<u>18,580,887</u>	<u>260,759</u>	<u>-</u>	<u>18,841,646</u>
Total cost of property	<u>\$ 93,040,716</u>	<u>\$ 12,545,215</u>	<u>\$ (1,353,006)</u>	<u>\$ 104,232,925</u>
Total Cost By Category				
Non-depreciable property				
Land:	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	4,139,151	9,020,603	(1,353,006)	11,806,748
Depreciable property:				
Sewer plant	24,191,132	1,236,162	-	25,427,294
Buildings and improvements	42,046,454	1,462,558	-	43,509,012
Machinery and equipment	22,087,137	825,892	0	22,913,029
Total cost	<u>\$ 93,040,716</u>	<u>\$ 12,545,215</u>	<u>\$ (1,353,006)</u>	<u>\$ 104,232,925</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Accumulated Depreciation for business-type activities was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Accumulated Depreciation				
Water				
Buildings and improvements	\$ (7,313,083)	\$ (602,148)	\$ -	\$ (7,915,231)
Machinery and equipment	(2,641,321)	(155,331)	-	(2,796,652)
Total	(9,954,404)	(757,479)	-	(10,711,883)
Stormwater				
Buildings and improvements	(66,766)	(39,810)	-	(106,576)
Machinery and equipment	(400,837)	(27,099)	-	(427,936)
Total	(467,603)	(66,909)	-	(534,512)
Wastewater				
Sewer plant	(8,892,922)	(967,645)	-	(9,860,567)
Buildings and improvements	(4,002,089)	(526,057)	-	(4,528,146)
Machinery and equipment	(560,390)	(232,704)	-	(793,094)
Total	(13,455,401)	(1,726,406)	-	(15,181,807)
Cable Television				
Buildings and improvements	(2,152,728)	(144,944)	-	(2,297,672)
Machinery and equipment	(11,540,168)	(539,590)	-	(12,079,758)
Total	(13,692,896)	(684,534)	-	(14,377,430)
Total accumulated depreciation	\$ (37,570,304)	\$ (3,235,328)	\$ -	\$ (40,805,632)

Total Accumulated Depreciation By Category

Depreciable property:

Sewer plant	\$ (8,892,922)	\$ (967,645)	\$ -	\$ (9,860,567)
Buildings and improvements	(13,534,666)	(1,312,959)	-	(14,847,625)
Machinery and equipment	(15,142,716)	(954,724)	-	(16,097,440)
Total accumulated depreciation	\$ (37,570,304)	\$ (3,235,328)	\$ -	\$ (40,805,632)

Net Book Value

Non-depreciable property

Land:	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	4,139,151	9,020,603	(1,353,006)	11,806,748

Depreciable property:

Sewer plant	15,298,210	268,517	-	15,566,727
Buildings and improvements	28,511,788	149,599	-	28,661,387
Machinery and equipment	6,944,421	(128,832)	-	6,815,589
Total net book value	\$ 55,470,412	\$ 9,309,887	\$ (1,353,006)	\$ 63,427,293

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Depreciation and amortization expense for business-type activities for the year ended June 30, 2014 was as follows:

Water	\$	757,479
Stormwater		66,909
Wastewater		758,761
Cable television		684,534
Total depreciation expense		<u>2,267,683</u>
Wastewater - amortization		967,645
Total depreciation and amortization	\$	<u><u>3,235,328</u></u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2014:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 3,550,271	\$ 2,100,478	\$ 69,804,383	\$ 75,455,132
Deposits	749,612	95,963	70,738	916,313
Accrued payroll	1,355,914	-	-	1,355,914
Other accrued liabilities	-	199,622	1,357	200,979
Total	<u>\$ 5,655,797</u>	<u>\$ 2,396,063</u>	<u>\$ 69,876,478</u>	<u>\$ 77,928,338</u>

These amounts resulted in the following concentrations in payables:

Vendor	9%
San Bruno Community Foundation Trust	88%
Deposits	1%
Employees	2%

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year
Governmental activities					
Pension Obligation Bond	\$ 12,820,000	\$ -	\$ (775,000)	\$ 12,045,000	\$ 785,000
Pension Obligation Bond - Discounts	(273,251)	-	19,518	(253,733)	(19,518)
Capital lease obligations	208,898	-	(32,336)	176,562	33,289
Compensated absences	2,394,812	216,504	(74,817)	2,536,499	1,573,605
Liability for claims	3,056,000	951,380	(721,380)	3,286,000	-
Other post employment benefits	12,770,900	2,749,100	-	15,520,000	-
Total governmental activities	<u>\$ 38,407,359</u>	<u>\$ 3,916,984</u>	<u>\$ (1,584,015)</u>	<u>\$ 33,310,328</u>	<u>\$ 2,372,376</u>

Governmental Activities:

2013 Pension Obligation Bonds

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

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

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%. Payments are made out of the debt service fund

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Compensated Absences

Compensated absences at June 30, 2014, amounted to \$2,536,499 and \$527,079 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 \$3,286,000 (see Note 11 for further discussion). Claims are paid in the form of internal charges based upon departmental claims activity.

The annual debt service requirements to maturity for all Governmental Activity amounts, except compensated absences and claims payable, at June 30, 2014, were as follows:

Year Ending June 30,	Governmental Activities				Totals	
	Pension Obligation Bond		Capital Lease Obligations			
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 785,000	\$ 394,451	\$ 33,289	\$ 5,209	\$ 818,289	\$ 399,660
2016	795,000	380,714	34,271	4,227	829,271	384,941
2017	815,000	364,019	35,282	3,216	850,282	367,235
2018	830,000	345,681	36,323	2,175	866,323	347,856
2019	855,000	324,931	37,397	1,103	892,397	326,034
2020-2024	4,700,000	1,190,150	-	-	4,700,000	1,190,150
2025-2029	3,265,000	294,600	-	-	3,265,000	294,600
Total	<u>\$ 12,045,000</u>	<u>\$ 3,294,546</u>	<u>\$ 176,562</u>	<u>\$ 15,930</u>	<u>\$ 12,221,562</u>	<u>\$ 3,310,476</u>
Due with in one year	\$ 785,000	\$ 394,451	\$ 33,289	\$ 5,209	\$ 818,289	\$ 399,660
Due after one year	11,260,000	2,900,095	143,273	10,721	11,403,273	2,910,816
Total	<u>\$ 12,045,000</u>	<u>\$ 3,294,546</u>	<u>\$ 176,562</u>	<u>\$ 15,930</u>	<u>\$ 12,221,562</u>	<u>\$ 3,310,476</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year
Business-type activities					
2013 Wastewater Revenue					
Refunding Bonds	\$ -	\$ 6,955,000	\$ -	\$ 6,955,000	\$ 290,000
Premium on Refunding Bonds	-	339,634	-	339,634	17,875
2002 Certificates of Participation	7,800,000	-	(7,800,000)	-	-
Capital lease obligations	467,213	-	(430,267)	36,946	36,946
Compensated absences	462,259	105,026	(40,206)	527,079	346,252
Due to City of South San Francisco					
1993 Loan	191,718	-	(191,718)	-	-
1999 Loan	5,133,225	-	(456,087)	4,677,138	467,945
2007 Loan	5,035,471	-	(332,584)	4,702,887	340,899
Total business-type activities	<u>\$ 19,089,886</u>	<u>\$ 7,399,660</u>	<u>\$ (9,250,862)</u>	<u>\$ 17,238,684</u>	<u>\$ 1,499,917</u>

Business-Type Activities:

2013 Wastewater Revenue Refunding Bonds

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

Capital Lease Obligations

At June 30, 2014, Business-type capital lease obligations consisted of the following:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year
Commercial services	\$ 467,213	\$ -	\$ (430,267)	\$ 36,946	\$ 36,946

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014, were as follows:

Year Ending June 30,	Business-type Activities							
	2013		Capital Lease		Due to		Totals	
	Wastewater Revenue Refunding Bonds		Obligations		South San Francisco			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 290,000	\$ 271,578	\$ 36,946	\$ 171	\$ 808,844	\$ 239,178	\$ 1,135,790	\$ 510,927
2016	260,000	281,288	-	-	829,533	218,489	1,089,533	499,777
2017	265,000	273,081	-	-	850,752	197,270	1,115,752	470,351
2018	280,000	263,875	-	-	872,513	175,509	1,152,513	439,384
2019	285,000	253,275	-	-	894,831	153,191	1,179,831	406,466
2020-2024	1,605,000	1,080,425	-	-	4,239,886	410,672	5,844,886	1,491,097
2025-2029	2,015,000	663,550	-	-	883,668	33,274	2,898,668	696,824
2030-2033	1,955,000	179,763	-	-	-	-	1,955,000	179,763
Total	\$ 6,955,000	\$ 3,266,835	\$ 36,946	\$ 171	\$ 9,380,027	\$ 1,427,583	\$ 16,371,973	\$ 4,694,589
Due with in one year	\$ 290,000	\$ 271,578	\$ 36,946	\$ 171	\$ 808,844	\$ 239,178	\$ 1,135,790	\$ 510,927
Due after one year	6,665,000	2,995,257	-	-	8,571,183	1,188,405	15,236,183	4,183,662
Total	\$ 6,955,000	\$ 3,266,835	\$ 36,946	\$ 171	\$ 9,380,027	\$ 1,427,583	\$ 16,371,973	\$ 4,694,589

The following is a summary of changes in long-term debt for fiduciary funds for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year
Fiduciary activities					
2000 Certificates of Participation	\$ 7,430,000	\$ -	\$ (260,000)	\$ 7,170,000	\$ 275,000

Fiduciary Funds:

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%.

As of July 1, 2014 the Redevelopment Agency Obligation Retirement Trust Fund has agreed under a separate agreement to assume this obligation which also eliminates the receivable due to the City from the Trust Fund.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

The annual debt service requirements to maturity for all fiduciary debt amounts, at June 30, 2014, were as follows:

Year Ending June 30,	Fiduciary Funds	
	2000	
	Certificates of Participation	
	Principal	Interest
2015	\$ 275,000	\$ 373,618
2016	285,000	359,868
2017	300,000	345,618
2018	315,000	330,468
2019	335,000	314,403
2020-2024	1,950,000	1,291,501
2025-2029	2,510,000	724,238
2030-2033	1,200,000	95,288
Total	<u>\$ 7,170,000</u>	<u>\$ 3,835,000</u>
Due with in one year	\$ 275,000	\$ 373,618
Due after one year	6,895,000	3,461,382
Total	<u>\$ 7,170,000</u>	<u>\$ 3,835,000</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.

The City's share of operating expenses for 2013-14 was \$3,312,908 and is included in treatment expenses in the Statement of Revenues, Expenses and Changes in Net Position 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 2013-14, the City paid \$1,236,162 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.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital Investments				
Financed	\$ 19,170,177	\$ -	\$ -	\$ 19,170,177
Contributed	5,020,954	1,236,162	-	6,257,116
Total capital investments	<u>24,191,131</u>	<u>1,236,162</u>	<u>-</u>	<u>25,427,293</u>
Accumulated Depreciation				
Financed	(7,575,053)	(766,807)	-	(8,341,860)
Contributed	(1,317,869)	(200,838)	-	(1,518,707)
Total accumulated depreciation	<u>(8,892,922)</u>	<u>(967,645)</u>	<u>-</u>	<u>(9,860,567)</u>
Net Book Value				
Financed	11,595,124	(766,807)	-	10,828,317
Contributed	3,703,085	1,035,324	-	4,738,409
Total net book value	<u>\$ 15,298,209</u>	<u>\$ 268,517</u>	<u>\$ -</u>	<u>\$ 15,566,726</u>

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

	SSF Original Loan	City's Share	SSF Loan Balance June 30, 2014	City's Share Loan Balance June 30, 2014	City's Share %
1993 Capital Project State Water Resource Loan	\$ 8,842,852	\$ 2,918,141	\$ -	\$ -	0%
1999 Capital Project State Water Resource Loan	50,553,782	9,104,859	25,969,335	4,677,138	18%
2007 Capital Project State Water Resource Loan	21,856,810	7,147,177	14,381,915	4,702,887	33%
	<u>\$ 81,253,444</u>	<u>\$ 19,170,177</u>	<u>\$ 40,351,250</u>	<u>\$ 9,380,025</u>	

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - DEFICIT NET POSITION AND FUND BALANCES

Deficit net position consisted of the following:

Enterprise Fund:

Cable Fund (\$980,391) will be funded through future service charges and expense reductions.

Deficit fund balances consisted of the following:

Non-major Fund:

Federal/State Grants Special Revenue Fund (\$22,491) will be funded through future revenue on cost-reimbursement grants.

Agency on Aging Special Revenue Fund (\$12,989) 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:

Non-major Funds:

Gas Tax Special Revenue Fund (\$1,427), which was covered by current year revenues.

Police Asset Seizure Special Revenue Fund (\$1,029), which was covered by current year revenues and existing fund balance.

Restricted Donation Fund (\$28,320), which was covered by current year revenues.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 10 - INTERFUND TRANSACTIONS

Due to/from other funds

Due to and due from other funds consisted of the following as of June 30, 2014:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major Funds		
Governmental activities		
General Fund	\$ 4,807,076	\$ -
Business-type activities		
Cable Television	-	4,764,371
Nonmajor Funds		
Governmental activities		
Special Revenue funds		
Agency on Aging	-	20,214
Federal/State Grants	-	22,491
Total	<u>\$ 4,807,076</u>	<u>\$ 4,807,076</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 fiduciary funds

The General Equipment Reserve Internal Service Fund advanced funds during the former Redevelopment Agency's inception to improve commercial and residential neighborhoods and to stimulate private investment in the oldest parts of the City. The Redevelopment Agency ceased operations pursuant to ABx1 26 on February 1, 2012. The Department of Finance approved repayment of advances owed the City on December 24, 2013 through the Recognized Obligation Payment Schedule (ROPS) process.

	<u>Advances To Fiduciary Funds</u>	<u>Advances From Fiduciary Funds</u>
Fiduciary Funds		
Redevelopment Agency Obligation Retirement Trust fund	\$ -	\$ 2,712,264
Nonmajor Funds		
Governmental activities		
Internal Service Fund		
General Equipment Revolving fund	2,712,264	-
Total	<u>\$ 2,712,264</u>	<u>\$ 2,712,264</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Transfers In/Out other funds

Transfers consisted of the following at June 30, 2014:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	CIP Reserve Fund	\$ 2,588,915 e
	Street Improvement Capital Projects Fund	55,498 c
	Non-major Governmental Funds	2,094,190 c,d,f
	Stormwater Fund	120,000 c
	Internal Service Funds	430,584 b
		<u>5,289,187</u>
Measure A Transportation Tax Fund	Street Improvement Capital Projects Fund	<u>910,229 c</u>
PG&E Emergency Disaster Reimbursement	Water Fund	1,465,773 c
	Wastewater Fund	1,208,199 c
	Stormwater Fund	475,960 c
		<u>3,149,932</u>
Street Improvement Capital Projects Fund	RORF Fund	<u>5,300 c</u>
Non-major Governmental Funds	General Fund	1,046,526 a
	Street Improvement Capital Projects Fund	690,000 c
	Non-major Governmental Funds	30,740 c
	RORF Fund	294,564 c
		<u>2,061,830</u>
RDA Obligation Retirement Trust Fund	General Fund	5,429 a
	Non-major Governmental Funds	90,400 f
		<u>95,829</u>
Water Fund	Non-major Governmental Funds	70,613 c
Stormwater Fund	Street Improvement Capital Projects Fund	11,000 c
Wastewater Fund	Non-major Governmental Funds	57,062 c
Cable Television fund	Non-major Governmental Funds	66,805 c
Internal Service Fund	Non-major Governmental Funds	260,000 c
		<u>465,480</u>
Total funds transferred		<u>\$ 11,977,787</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
- (e) To allocate funds for CIP Reserves
- (f) Set aside for restricted operating expenditure

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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:

- \$6.7 million was transferred for capital projects funding, capital equipment purchase, and reimbursements for infrastructure improvements. Funds primarily from Gas Tax, Measure A, One-Time Revenue, Enterprise Funds, Internal Service Funds, and Emergency Disaster/PG&E Reimbursement supported projects such as: Swimming Pool Plumbing Replacement, Records Management System, Fire Station 51 Improvements, Caltrain Grade Separation, State Local Partnership Street Rehabilitation Project, Neighborhood Traffic Calming measures, Sidewalk Repair Program, Computerized Maintenance Management System, and Crestmoor Neighborhood sewer, water, and storm drain lines.
- \$1.4 million was transferred for specific community program delivery such as public safety operations, street operations, library resource sharing and inter-library loan cooperation, and senior nutrition and transportation services.
- \$0.2 million from One-Time Revenue Fund was transferred to the General Fund Reserve to meet the target reserve level. \$2.6 million was transferred from One-Time Revenue Fund and the General Fund to the Capital Improvement/One-Time Initiative Fund to reach its maximum fund balance per the City's Reserve Policy.
- \$0.5 million was transferred from the General Fund, Parks and Facilities Capital, and Streets Capital to the Redevelopment Obligation Retirement Fund in accordance with the State Controller's Office Asset Transfer Review dated June 13, 2014.
- The General Fund transferred \$1.2 million to the General Debt Service Fund for pension obligation bond and fire truck principal and interest payments.

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 position of the self-insurance funds, which are categorized as Governmental Activities, represent amounts set aside for possible additional losses after providing for actuarially determined liabilities for claims including claims adjustment expenses.

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

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Fiscal Year	Beginning of the Year	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of the Year
2013-2014	\$ 3,056,000	\$ 951,380	\$ (721,380)	\$ 3,286,000
2012-2013	2,190,469	1,367,043	(501,512)	3,056,000
2011-2012	1,576,264	1,332,913	(718,708)	2,190,469

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 19.78% for miscellaneous employees, and 39.44% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost

The City's annual pension cost of \$4,688,240 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% of investment rate of return (net of administrative expenses) and (b) 3.30% to 14.20% projected annual salary increases that vary by age, duration of service and type of employment. Both (a) and (b) included an inflation component of 3%.

The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). CalPERS has increased the future rate the City pays to reflect an unfunded condition in the plan. CalPERS unfunded actuarial accrued liability is being amortized as a percentage of projected payroll on a closed period basis over 20 years.

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)		Percentage of APC Contributed	Net Pension Obligation
	Safety	Miscellaneous		
June 30, 2014	\$ 2,538,779	\$ 2,149,461	100%	\$ -
June 30, 2013	2,966,570	1,943,071	100%	-
June 30, 2012	3,236,668	1,850,242	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, 2011	\$ 91,776,747	\$ 73,175,402	\$ 18,601,345	79.73%	\$ 11,563,819	160.86%
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%

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, 2014

Eligibility: Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a CalPERS pension. Membership of the plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	120
Other participants fully eligible for benefits	56
Other participants not yet fully eligible for benefits	171
Total	<u>347</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 2013-14, the City's estimated benefit payment was \$1,131,900 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	\$ 4,107,500
Interest on net OPEB obligation	510,800
Adjustment to annual required contribution	<u>(737,300)</u>
Annual OPEB cost (expense)	3,881,000
Contributions made (including premium paid)	<u>(1,131,900)</u>
Increase in net OPEB obligation	2,749,100
Net OPEB obligation, beginning of year	<u>12,770,900</u>
Net OPEB obligation, end of year	<u>\$ 15,520,000</u>

CITY OF SAN BRUNO, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 3,881,000	29.17%	\$ 15,520,000
6/30/2013	3,942,800	26.22%	12,770,900
6/30/2012	3,796,900	24.17%	9,861,900

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2013, was as follows:

	2013	2012	2011
Actuarial accrued liability (AAL)	\$ 43,170,600	\$ 46,746,800	\$ 41,558,300
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	43,170,600	46,746,800	41,558,300
Funded Ratio (actuarial value of plan Assets/AAL)	0%	0%	0%
Covered payroll (active plan members)	20,812,300	20,954,900	21,169,200
UAAL as a percentage of covered payroll	207%	223%	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%, (c) 7.75% to 4.5% health care trend, and (d) inflation rate of 3.5%.

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 4.5 percent for all benefit costs. The UAAL is being amortized using a level dollar method on an open basis over 30 years.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, 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 – RESERVE POLICY

The City established a reserve policy in January 2013 that created reserve funds to ensure the financial stability of the City, provide resources in the event of an emergency, and create a funding source for one-time capital projects and initiatives. The reserve funds are as follows:

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

The General Fund Reserve can only be utilized through resolution of the City Council. Appropriations of these funds will be reserved for the following situations:

- A decrease in revenues in excess of 5% of total budgeted General Fund revenues within one year.
- The loss of revenues from another government entity.
- One-time, non-recurring initiatives of the City Council deemed of significant importance to the City.

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

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

The Emergency Disaster Reserve can only be utilized through resolution of the City Council declaring an emergency. Upon such declaration, it would be the intent of the City to utilize the Emergency Disaster Reserve for all costs associated with the City's response to the emergency situation prior to any other reserve funds.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Capital Improvement/One-Time Initiative Reserve – A Capital Improvement/One-Time Initiative Reserve Fund shall be established with a goal of obtaining an initial fund balance of \$5 million. This fund would be used for projects and initiatives throughout the City that have no other identifiable funding source.

The Capital Improvement/One-Time Initiative Reserve can only be utilized through resolution of the City Council. While this fund has an initial goal of \$5 million, funds shall continue to be added to this fund until it has reached a fund balance of \$8 million.

Internal Service Funds: Central Garage, Building and Facilities, Technology Reserves – The Central Garage, Building and Facilities, and Technology Reserves shall be funded at a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency. Once the Internal Service Funds Reserves have been funded at the target amount, all fund balance in excess of this amount can be used to fund one-time initiatives and/or to provide a reduction in allocations from departments in times of budget reductions.

Note 17 – SPECIAL ITEM

On May 5, 2014, the Oversight Board for the Successor Agency approved the transfer of the property located at 470 San Mateo Avenue from the Successor Agency to the City by Grant Deed for public park purposes. The Former Redevelopment Agency acquired the property at the purchase price of \$566,000. On June 12, 2014, the property was granted to the City at the market value of \$450,000 in accordance with the Long-Range Property Management Plan approved pursuant to Health & Safety Code Section 34191.5.

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, 2014**

	Original Budget	Amended Budget	Actual	Variance w/ Amended Positive/(Negative)
REVENUES:				
Taxes	\$ 20,260,683	\$ 20,260,683	\$ 21,908,894	\$ 1,648,211
Licenses and permits	2,530,500	2,530,500	3,635,667	1,105,167
Intergovernmental	3,100,000	3,100,000	3,520,324	420,324
Charges for services	2,467,451	2,467,451	2,755,051	287,600
Fines and forfeitures	605,000	605,000	654,000	49,000
Use of money and property	1,462,385	1,462,385	1,545,234	82,849
Other revenues	4,422,454	4,422,454	4,950,472	528,018
Total revenues	34,848,473	34,848,473	38,969,642	4,121,169
EXPENDITURES:				
Current:				
General government	4,219,552	4,272,340	3,892,390	379,950
Public safety	19,499,675	19,948,532	19,840,437	108,095
Public works	755,892	780,079	802,428	(22,349)
Highways and streets	1,144,860	1,278,593	1,167,267	111,326
Parks and recreation	4,292,290	4,345,110	4,301,457	43,653
Library	1,662,767	1,685,183	1,620,809	64,374
Community development	1,937,033	1,969,824	1,804,656	165,168
Total expenditures	33,512,069	34,279,661	33,429,444	850,217
REVENUES OVER (UNDER) EXPENDITURES	1,336,404	568,812	5,540,198	4,971,386
OTHER FINANCING SOURCES (USES):				
Transfers in	1,166,200	1,166,200	1,051,955	(114,245)
Transfers out	(1,648,611)	(2,508,586)	(5,289,187)	(2,780,601)
Total other financing sources (uses)	(482,411)	(1,342,386)	(4,237,232)	(2,894,846)
Net change in fund balances	853,993	(773,574)	1,302,966	2,076,540
FUND BALANCES:				
Beginning of year	9,635,031	9,635,031	9,635,031	-
End of year	\$ 10,489,024	\$ 8,861,457	\$ 10,937,997	\$ 2,076,540

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
CAPITAL IMPROVEMENT PROJECTS RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Amended Budget	Actual	Variance with Amended Positive/(Negative)
OTHER FINANCING SOURCES (USES):				
Transfers in	\$ -	\$ -	\$ 2,588,915	\$ 2,588,915
Net change in fund balances	-	-	2,588,915	2,588,915
FUND BALANCES:				
Beginning of year	5,061,760	5,061,760	5,061,760	-
End of year	<u>\$ 5,061,760</u>	<u>\$ 5,061,760</u>	<u>\$ 7,650,675</u>	<u>\$ 2,588,915</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
EMERGENCY DISASTER RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 7,316	\$ 7,316
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Net change in fund balances	-	-	7,316	7,316
FUND BALANCES:				
Beginning of year	3,031,509	3,031,509	3,031,509	-
End of year	<u>\$ 3,031,509</u>	<u>\$ 3,031,509</u>	<u>\$ 3,038,825</u>	<u>\$ 7,316</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, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Amended
				Positive/(Negative)
REVENUES:				
Taxes	\$ 830,000	\$ 830,000	\$ 869,111	\$ 39,111
Use of money and property	8,861	8,861	17,557	8,696
Total revenues	<u>838,861</u>	<u>838,861</u>	<u>886,668</u>	<u>47,807</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(912,500)	(912,500)	(910,229)	2,271
Total other financing sources (uses)	<u>(912,500)</u>	<u>(912,500)</u>	<u>(910,229)</u>	<u>2,271</u>
Net change in fund balances	<u>(73,639)</u>	<u>(73,639)</u>	<u>(23,561)</u>	<u>50,078</u>
FUND BALANCES:				
Beginning of year	1,859,508	1,859,508	1,859,508	-
End of year	<u>\$ 1,785,869</u>	<u>\$ 1,785,869</u>	<u>\$1,835,947</u>	<u>\$ 50,078</u>

See accompanying note to the required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL
PG&E EMERGENCY DISASTER REIMBURSEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Other revenues	\$ -	\$ 7,054,254	\$ 7,054,254
EXPENDITURES:			
Current:			
General government	15,699,546	4,386,778	11,312,768
REVENUES OVER (UNDER) EXPENDITURES	(15,699,546)	2,667,476	18,367,022
OTHER FINANCING SOURCES (USES):			
Transfers out	(10,000)	(3,149,932)	(3,139,932)
Net change in fund balances	(15,709,546)	(482,456)	15,227,090
FUND BALANCES:			
Beginning of year	482,456	482,456	-
End of year	\$ (15,227,090)	\$ -	\$ 15,227,090

See accompanying note to the required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

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.

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

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$ 4,151,547	\$ -	\$ -	\$ 739,706
Receivables:				
Taxes	-	-	-	30,874
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	9,957	-	-
Loans	-	-	-	-
Other	-	-	-	-
Total assets	<u>\$ 4,151,547</u>	<u>\$ 9,957</u>	<u>\$ -</u>	<u>\$ 770,580</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,265	\$ 2,732	\$ -	\$ 1,427
Due to other funds	-	20,214	22,491	-
Total liabilities	<u>1,265</u>	<u>22,946</u>	<u>22,491</u>	<u>1,427</u>
Fund Balances:				
Restricted	4,150,282	7,225	-	769,153
Unassigned	-	(20,214)	(22,491)	-
Total fund balances (deficits)	<u>4,150,282</u>	<u>(12,989)</u>	<u>(22,491)</u>	<u>769,153</u>
Total liabilities and fund balances	<u>\$ 4,151,547</u>	<u>\$ 9,957</u>	<u>\$ -</u>	<u>\$ 770,580</u>

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up	Restricted Donations
\$ 240,317	\$ 53,076	\$ 55,948	\$ 3,818	\$ 219,524	\$ 1,132,722
-	-	-	-	-	-
-	-	-	-	11,957	-
-	-	-	8,127	-	-
-	-	-	-	-	-
-	-	-	-	-	10,173
<u>\$ 240,317</u>	<u>\$ 53,076</u>	<u>\$ 55,948</u>	<u>\$ 11,945</u>	<u>\$ 231,481</u>	<u>\$ 1,142,895</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,900	\$ 6,969
-	-	-	-	-	-
-	-	-	-	3,900	6,969
240,317	53,076	55,948	11,945	227,581	1,135,926
-	-	-	-	-	-
<u>240,317</u>	<u>53,076</u>	<u>55,948</u>	<u>11,945</u>	<u>227,581</u>	<u>1,135,926</u>
<u>\$ 240,317</u>	<u>\$ 53,076</u>	<u>\$ 55,948</u>	<u>\$ 11,945</u>	<u>\$ 231,481</u>	<u>\$ 1,142,895</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, CONTINUED
AS OF JUNE 30, 2014**

	Special Revenue Funds			Special Revenue
	Streets	Traffic Safety	Housing Authority	Total
ASSETS				
Cash and investments	\$ 309,602	\$ 61,597	\$ 90,400	\$ 7,058,257
Receivables:				
Taxes	-	-	-	30,874
Intergovernmental subventions	-	-	-	11,957
Intergovernmental grants	-	-	-	18,084
Loans	-	-	90,000	90,000
Other	-	-	-	10,173
Total assets	<u>\$ 309,602</u>	<u>\$ 61,597</u>	<u>\$ 180,400</u>	<u>\$ 7,219,345</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 16,293
Due to other funds	-	-	-	42,705
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,998</u>
Fund Balances:				
Restricted	309,602	61,597	180,400	7,203,052
Unassigned	-	-	-	(42,705)
Total fund balances (deficits)	<u>309,602</u>	<u>61,597</u>	<u>180,400</u>	<u>7,160,347</u>
Total liabilities and fund balances	<u>\$ 309,602</u>	<u>\$ 61,597</u>	<u>\$ 180,400</u>	<u>\$ 7,219,345</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2014	2013
\$	910,260	\$	13,343	\$ 7,981,860	\$ 8,102,338
	-		-	30,874	20,651
	-		-	11,957	11,643
	-		-	18,084	550,590
	-		-	90,000	90,000
	-		-	10,173	62,564
<u>\$</u>	<u>910,260</u>	<u>\$</u>	<u>13,343</u>	<u>\$ 8,142,948</u>	<u>\$ 8,837,786</u>
\$	162,071	\$	-	\$ 178,364	\$ 1,229,321
	-		-	42,705	39,083
	162,071		-	221,069	1,268,404
	748,189		13,343	7,964,584	7,596,410
	-		-	(42,705)	(27,028)
	748,189		13,343	7,921,879	7,569,382
<u>\$</u>	<u>910,260</u>	<u>\$</u>	<u>13,343</u>	<u>\$ 8,142,948</u>	<u>\$ 8,837,786</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, 2014**

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,370,767
Licenses and permits	518,000	-	-	-
Intergovernmental	-	118,208	1,321	-
Charges for services	-	71,526	-	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	48,767	105	-	9,618
Other revenues	-	-	-	-
Total revenues	<u>566,767</u>	<u>189,839</u>	<u>1,321</u>	<u>1,380,385</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	1,427
Parks and recreation	9,800	128,086	-	-
Library	-	-	-	-
Community development	44,300	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>54,100</u>	<u>128,086</u>	<u>-</u>	<u>1,427</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>512,667</u>	<u>61,753</u>	<u>1,321</u>	<u>1,378,958</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(71,526)	-	(1,440,000)
Total other financing sources and uses	<u>-</u>	<u>(71,526)</u>	<u>-</u>	<u>(1,440,000)</u>
Net change in fund balances	<u>512,667</u>	<u>(9,773)</u>	<u>1,321</u>	<u>(61,042)</u>
FUND BALANCES:				
Beginning of year	3,637,615	(3,216)	(23,812)	830,195
End of year	<u>\$ 4,150,282</u>	<u>\$ (12,989)</u>	<u>\$ (22,491)</u>	<u>\$ 769,153</u>

Special Revenue Funds

Library Special Revenue	Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up	Restricted Donations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	101,921
-	-	110,169	90,966	79,471	-
-	-	-	-	-	-
-	-	-	-	-	-
6,679	416	576	113	2,731	12,729
-	-	-	-	-	110,504
<u>6,679</u>	<u>416</u>	<u>110,745</u>	<u>91,079</u>	<u>82,202</u>	<u>225,154</u>
-	-	-	-	-	82,709
-	11,029	-	-	-	-
-	-	-	-	54,131	-
-	-	-	-	-	-
-	-	-	-	-	14,638
-	-	-	-	-	10,275
-	-	-	-	-	23,171
-	-	-	-	-	-
-	-	-	-	-	-
-	11,029	-	-	54,131	130,793
<u>6,679</u>	<u>(10,613)</u>	<u>110,745</u>	<u>91,079</u>	<u>28,071</u>	<u>94,361</u>
-	-	-	-	-	10,000
(39,000)	-	(86,000)	(100,000)	-	(30,740)
(39,000)	-	(86,000)	(100,000)	-	(20,740)
<u>(32,321)</u>	<u>(10,613)</u>	<u>24,745</u>	<u>(8,921)</u>	<u>28,071</u>	<u>73,621</u>
272,638	63,689	31,203	20,866	199,510	1,062,305
<u>\$ 240,317</u>	<u>\$ 53,076</u>	<u>\$ 55,948</u>	<u>\$ 11,945</u>	<u>\$ 227,581</u>	<u>\$1,135,926</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, 2014**

	Special Revenue Funds			Special Revenue
	Streets	Traffic Safety	Housing Authority	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,370,767
Licenses and permits	-	-	-	619,921
Intergovernmental	-	-	-	400,135
Charges for services	-	-	-	71,526
Fines and forfeitures	-	-	-	-
Investment income (loss)	1,335	536	-	83,605
Other revenues	-	-	-	110,504
Total revenues	1,335	536	-	2,656,458
EXPENDITURES:				
Current:				
General government	-	-	-	82,709
Public safety	-	-	-	11,029
Public works	-	-	-	54,131
Highways and streets	-	-	-	1,427
Parks and recreation	-	-	-	152,524
Library	-	-	-	10,275
Community development	-	-	-	67,471
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	379,566
REVENUES OVER (UNDER) EXPENDITURES	1,335	536	-	2,276,892
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	90,400	100,400
Transfers out	-	-	-	(1,767,266)
Total other financing sources and uses	-	-	90,400	(1,666,866)
Net change in fund balances	1,335	536	90,400	610,026
FUND BALANCES:				
Beginning of year	308,267	61,061	90,000	6,550,321
End of year	\$ 309,602	\$ 61,597	\$ 180,400	\$ 7,160,347

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
General		General		Totals	
				2014	2013
\$	-	\$	-	\$ 1,370,767	\$ 1,054,699
	-		-	619,921	219,771
	88,658		-	488,793	1,237,744
	-		-	71,526	66,576
	-		-	-	15,072
	17,422		50	101,077	51,544
	-		15,231	125,735	4,349,888
	<u>106,080</u>		<u>15,281</u>	<u>2,777,819</u>	<u>6,995,294</u>
	591,225		1,954	675,888	3,455,130
	-		-	11,029	19,853
	-		-	54,131	66,046
	-		-	1,427	1,435
	-		-	152,524	152,412
	-		-	10,275	14,739
	-		-	67,471	58,292
	360,076		-	360,076	1,161,609
	-		807,336	807,336	386,409
	-		410,689	410,689	542,606
	<u>951,301</u>		<u>1,219,979</u>	<u>2,550,846</u>	<u>5,858,531</u>
	(845,221)		(1,204,698)	226,973	1,136,763
	1,351,384		1,218,026	2,669,810	1,397,474
	(294,564)		-	(2,061,830)	(2,384,970)
	<u>1,056,820</u>		<u>1,218,026</u>	<u>607,980</u>	<u>(987,496)</u>
	211,599		13,328	834,953	149,267
	536,590		15	7,086,926	7,420,115
\$	<u>748,189</u>	\$	<u>13,343</u>	<u>\$ 7,921,879</u>	<u>\$ 7,569,382</u>

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, 2014**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Investment income	\$ 2,948	\$ 2,948	\$ 7,492	\$ 4,544
EXPENDITURES:				
Current:				
Highways and streets	5,626,518	5,885,018	2,521,086	3,363,932
REVENUES OVER (UNDER) EXPENDITURES	(5,623,570)	(5,882,070)	(2,513,594)	3,368,476
OTHER FINANCING SOURCES (USES):				
Transfers in	1,613,500	1,613,500	1,666,727	53,227
Transfers out	-	-	(5,300)	(5,300)
Total other financing sources (uses)	1,613,500	1,613,500	1,661,427	47,927
Net change in fund balances	(4,010,070)	(4,268,570)	(852,167)	3,416,403
FUND BALANCES:				
Beginning of year	1,664,308	1,664,308	1,664,308	-
End of year	<u><u>\$(2,345,762)</u></u>	<u><u>\$(2,604,262)</u></u>	<u><u>\$ 812,141</u></u>	<u><u>\$ 3,416,403</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Licenses and permits	\$ 516,000	\$ 518,000	\$ 2,000
Investment income	23,631	48,767	25,136
Total revenues	<u>539,631</u>	<u>566,767</u>	<u>27,136</u>
EXPENDITURES:			
Current:			
Parks and recreation	-	9,800	(9,800)
Community development	58,500	44,300	14,200
Total expenditures	<u>58,500</u>	<u>54,100</u>	<u>4,400</u>
Net change in fund balances	<u>481,131</u>	<u>512,667</u>	<u>31,536</u>
FUND BALANCES:			
Beginning of year	3,637,615	3,637,615	-
End of year	<u>\$ 4,118,746</u>	<u>\$ 4,150,282</u>	<u>\$ 31,536</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 137,465	\$ 118,208	\$ (19,257)
Charges for services	66,200	71,526	5,326
Investment income	96	105	9
Total revenues	<u>203,761</u>	<u>189,839</u>	<u>(13,922)</u>
EXPENDITURES:			
Parks and recreation	137,465	128,086	9,379
REVENUES OVER (UNDER) EXPENDITURES	<u>66,296</u>	<u>61,753</u>	<u>(4,543)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(66,296)	(71,526)	(5,230)
Net change in fund balances	<u>-</u>	<u>(9,773)</u>	<u>(9,773)</u>
FUND BALANCES:			
Beginning of year	(3,216)	(3,216)	-
End of year	<u>\$ (3,216)</u>	<u>\$ (12,989)</u>	<u>\$ (9,773)</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL
FEDERAL AND STATE GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 1,321	\$ 1,321
Total revenues	<u>-</u>	<u>1,321</u>	<u>1,321</u>
EXPENDITURES:			
Current:			
Public safety	720	-	720
Total expenditures	<u>720</u>	<u>-</u>	<u>720</u>
Net change in fund balances	(720)	1,321	2,041
FUND BALANCES:			
Beginning of year	(23,812)	(23,812)	-
End of year	<u>\$ (24,532)</u>	<u>\$ (22,491)</u>	<u>\$ 2,041</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Taxes	\$ 1,289,903	\$ 1,370,767	\$ 80,864
Investment income	6,045	9,618	3,573
Total revenues	<u>1,295,948</u>	<u>1,380,385</u>	<u>84,437</u>
EXPENDITURES:			
Current:			
Highways and streets	-	1,427	(1,427)
REVENUES OVER (UNDER)			
EXPENDITURES	<u>1,295,948</u>	<u>1,378,958</u>	<u>83,010</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,440,000)	(1,440,000)	-
Net change in fund balances	<u>(144,052)</u>	<u>(61,042)</u>	<u>83,010</u>
FUND BALANCES:			
Beginning of year	830,195	830,195	-
End of year	<u>\$ 686,143</u>	<u>\$ 769,153</u>	<u>\$ 83,010</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 3,474	\$ 6,679	\$ 3,205
Total revenues	<u>3,474</u>	<u>6,679</u>	<u>3,205</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(39,000)	(39,000)	-
Net change in fund balances	<u>(35,526)</u>	<u>(32,321)</u>	<u>3,205</u>
FUND BALANCES:			
Beginning of year	272,638	272,638	-
End of year	<u>\$ 237,112</u>	<u>\$ 240,317</u>	<u>\$ 3,205</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, 2014**

	Final	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ -	\$ (5,000)
Investment income	254	416	162
Total revenues	<u>5,254</u>	<u>416</u>	<u>(4,838)</u>
EXPENDITURES:			
Public safety	10,000	11,029	(1,029)
Net change in fund balances	<u>(4,746)</u>	<u>(10,613)</u>	<u>(5,867)</u>
FUND BALANCES:			
Beginning of year	68,155	63,689	(4,466)
End of year	<u>\$ 63,409</u>	<u>\$ 53,076</u>	<u>\$ (10,333)</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 92,000	\$ 110,169	\$ 18,169
Investment income	300	576	276
Total revenues	<u>92,300</u>	<u>110,745</u>	<u>18,445</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(86,000)	(86,000)	-
Net change in fund balances	<u>6,300</u>	<u>24,745</u>	<u>18,445</u>
FUND BALANCES:			
Beginning of year	31,203	31,203	-
End of year	<u>\$ 37,503</u>	<u>\$ 55,948</u>	<u>\$ 18,445</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 100,000	\$ 90,966	\$ (9,034)
Investment income	56	113	57
Total revenues	<u>100,056</u>	<u>91,079</u>	<u>(8,977)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(100,000)	-
Net change in fund balances	<u>56</u>	<u>(8,921)</u>	<u>(8,977)</u>
FUND BALANCES:			
Beginning of year	20,866	20,866	-
End of year	<u>\$ 20,922</u>	<u>\$ 11,945</u>	<u>\$ (8,977)</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 80,746	\$ 79,471	\$ (1,275)
Investment income	1,364	2,731	1,367
Total revenues	<u>82,110</u>	<u>82,202</u>	<u>92</u>
EXPENDITURES:			
Current:			
Public works	69,903	54,131	15,772
Net change in fund balances	<u>12,207</u>	<u>28,071</u>	<u>15,864</u>
FUND BALANCES:			
Beginning of year	199,510	199,510	-
End of year	<u>\$ 211,717</u>	<u>\$ 227,581</u>	<u>\$ 15,864</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Licenses and permits	\$ 100,000	\$ 101,921	\$ 1,921
Investment income	6,218	12,729	6,511
Other revenues	31,200	110,504	79,304
Total revenues	<u>137,418</u>	<u>225,154</u>	<u>87,736</u>
EXPENDITURES:			
Current:			
General government	77,473	82,709	(5,236)
Parks and recreation	-	14,638	(14,638)
Library	-	10,275	(10,275)
Community enhancements	25,000	23,171	1,829
Total expenditures	<u>102,473</u>	<u>130,793</u>	<u>(28,320)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>34,945</u>	<u>94,361</u>	<u>59,416</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	10,000	10,000	-
Transfers out	(30,740)	(30,740)	-
Total other financing sources (uses)	<u>(20,740)</u>	<u>(20,740)</u>	<u>-</u>
Net change in fund balances	<u>14,205</u>	<u>73,621</u>	<u>59,416</u>
FUND BALANCES:			
Beginning of year	1,062,305	1,062,305	-
End of year	<u>\$ 1,076,510</u>	<u>\$ 1,135,926</u>	<u>\$ 59,416</u>

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, 2014**

	<u>Final</u>	<u>Actual</u>	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 805	\$ 1,335	\$ 530
FUND BALANCES:			
Beginning of year	<u>308,267</u>	<u>308,267</u>	-
End of year	<u>\$ 309,072</u>	<u>\$ 309,602</u>	<u>\$ 530</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 284	\$ 536	\$ 252
FUND BALANCES:			
Beginning of year	61,061	61,061	-
End of year	<u>\$ 61,345</u>	<u>\$ 61,597</u>	<u>\$ 252</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE – BUDGET TO ACTUAL
 HOUSING AUTHORITY SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
OTHER FINANCING SOURCES (USES):			
Transfers in	\$ -	\$ 90,400	\$ 90,400
FUND BALANCES:			
Beginning of year	90,000	90,000	-
End of year	<u>\$ 90,000</u>	<u>\$ 180,400</u>	<u>\$ 90,400</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 88,658	88,658
Investment income	7,740	17,422	9,682
Total revenues	<u>7,740</u>	<u>106,080</u>	<u>98,340</u>
EXPENDITURES:			
Current:			
General government	817,390	591,225	226,165
Capital outlay	1,525,481	360,076	1,165,405
Total expenditures	<u>2,342,871</u>	<u>951,301</u>	<u>1,391,570</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,335,131)</u>	<u>(845,221)</u>	<u>1,489,910</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,355,195	1,351,384	(3,811)
Transfers out		(294,564)	(294,564)
Total other financing sources (uses)	<u>1,355,195</u>	<u>1,056,820</u>	<u>(298,375)</u>
Net change in fund balances	<u>(979,936)</u>	<u>211,599</u>	<u>1,191,535</u>
FUND BALANCES:			
Beginning of year	536,590	536,590	-
End of year	<u>\$ (443,346)</u>	<u>\$ 748,189</u>	<u>\$ 1,191,535</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, 2014**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ -	\$ 50	\$ 50
Other revenues	-	15,231	15,231
Total revenues	<u>-</u>	<u>15,281</u>	<u>15,281</u>
EXPENDITURES:			
Current:			
General government	-	1,954	(1,954)
Debt service:			
Principal	807,336	807,336	-
Interest	797,045	410,689	386,356
Total expenditures	<u>1,604,381</u>	<u>1,219,979</u>	<u>384,402</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,604,381)	(1,204,698)	399,683
OTHER FINANCING SOURCES (USES):			
Transfers in	1,604,381	1,218,026	(386,355)
Net change in fund balances	-	13,328	13,328
FUND BALANCES:			
Beginning of year	15	15	-
End of year	<u>\$ 15</u>	<u>\$ 13,343</u>	<u>\$ 13,328</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

(With comparative totals for June 30, 2013)

	Central Garage	Self- Insurance	General Equipment Revolving
ASSETS			
Current assets:			
Cash and investments	\$ 568,040	\$ 2,319,162	\$ 4,130,159
Cash and investments held by trustees	-	91,119	-
Accounts receivable	-	-	-
Total current assets	568,040	2,410,281	4,130,159
Noncurrent assets:			
Advances to fiduciary funds	-	-	2,712,264
Total assets	\$ 568,040	\$ 2,410,281	\$ 6,842,423
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,001	\$ 18,348	\$ 99,147
Compensated absences	-	-	-
Total current liabilities	10,001	18,348	99,147
Noncurrent liabilities:			
Compensated absences	13,246	-	-
Liability for claims	-	3,286,000	-
Total noncurrent liabilities	13,246	3,286,000	-
Total liabilities	23,247	3,304,348	99,147
NET POSITION			
Unrestricted net position	544,793	(894,067)	6,743,276
Total net position	544,793	(894,067)	6,743,276
Total liabilities and net position	\$ 568,040	\$ 2,410,281	\$ 6,842,423

Technology Development	Facilities Maintenance	Totals	
		2014	2013
\$ 274,554	\$ 840,553	\$ 8,132,468	\$ 7,883,120
-	-	91,119	91,119
-	-	-	14,420
<u>274,554</u>	<u>840,553</u>	<u>8,223,587</u>	<u>7,988,659</u>
-	-	2,712,264	2,977,033
<u>\$ 274,554</u>	<u>\$ 840,553</u>	<u>\$ 10,935,851</u>	<u>\$ 10,965,692</u>
\$ 4,467	\$ 18,015	\$ 149,978	\$ 112,708
54,931	64,793	119,724	61,101
<u>59,398</u>	<u>82,808</u>	<u>269,702</u>	<u>173,809</u>
23,766	5,761	42,773	53,238
-	-	3,286,000	3,056,000
<u>23,766</u>	<u>5,761</u>	<u>3,328,773</u>	<u>3,109,238</u>
<u>83,164</u>	<u>88,569</u>	<u>3,598,475</u>	<u>3,283,047</u>
191,390	751,984	7,337,376	7,682,645
<u>191,390</u>	<u>751,984</u>	<u>7,337,376</u>	<u>7,682,645</u>
<u>\$ 274,554</u>	<u>\$ 840,553</u>	<u>\$ 10,935,851</u>	<u>\$ 10,965,692</u>

CITY OF SAN BRUNO, CALIFORNIA

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(With comparative totals for the year ended June 30, 2013)

	Central Garage	Self- Insurance	General Equipment Revolving
OPERATING REVENUES:			
Charges for services	\$ 614,772	\$ -	\$ 6,803
Insurance cost allocation	-	1,805,616	-
Total operating revenues	614,772	1,805,616	6,803
OPERATING EXPENSES:			
Central garage	538,787	-	-
Insurance premiums, claims and administration	-	2,121,500	-
Equipment	-	-	92,336
Technology	-	-	-
Facilities	-	-	-
Total operating expenses	538,787	2,121,500	92,336
OPERATING INCOME (LOSS)	75,985	(315,884)	(85,533)
NONOPERATING REVENUE (EXPENSE)			
Transfer from other funds	-	-	430,584
Transfer (to) other funds	-	-	(200,000)
Total non-operating revenue (expense)	-	-	230,584
CHANGE IN NET POSITION	75,985	(315,884)	145,051
NET POSITION:			
Beginning of year	468,808	(578,183)	6,598,225
End of year	\$ 544,793	\$ (894,067)	\$ 6,743,276

Technology Development	Facilities Maintenance	Totals	
		2014	2013
\$ 520,776	\$ 866,990	\$ 2,009,341	\$ 2,018,746
-	-	1,805,616	1,762,480
<u>520,776</u>	<u>866,990</u>	<u>3,814,957</u>	<u>3,781,226</u>
-	-	538,787	591,513
-	-	2,121,500	2,386,362
-	-	92,336	197,394
599,690	-	599,690	517,163
-	978,497	978,497	905,912
<u>599,690</u>	<u>978,497</u>	<u>4,330,810</u>	<u>4,598,344</u>
<u>(78,914)</u>	<u>(111,507)</u>	<u>(515,853)</u>	<u>(817,118)</u>
-	-	430,584	456,984
(40,000)	(20,000)	(260,000)	(141,132)
<u>(40,000)</u>	<u>(20,000)</u>	<u>170,584</u>	<u>315,852</u>
(118,914)	(131,507)	(345,269)	(501,266)
<u>310,304</u>	<u>883,491</u>	<u>7,682,645</u>	<u>8,183,911</u>
<u>\$ 191,390</u>	<u>\$ 751,984</u>	<u>\$ 7,337,376</u>	<u>\$ 7,682,645</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

(With comparative totals for the year ended June 30, 2013)

	Central Garage	Self- Insurance	General Equipment Revolving
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 614,772	\$ 1,805,616	\$ 18,953
Cash payments to suppliers for goods and services	(562,476)	(2,156,752)	2,681
Cash payments for loss claims	-	230,000	-
Net cash provided (used) by operating activities	52,296	(121,136)	21,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments from fiduciary funds	-	-	264,769
Transfers received from other funds	-	-	430,584
Transfers paid to other funds	-	-	(200,000)
Net cash provided by noncapital financing activities	-	-	495,353
Net increase in cash and cash equivalents	52,296	(121,136)	516,987
CASH AND CASH EQUIVALENTS:			
Beginning of year	515,744	2,531,417	3,613,172
End of year	<u>\$ 568,040</u>	<u>\$ 2,410,281</u>	<u>\$ 4,130,159</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Income (loss) from operations	\$ 75,985	\$ (315,884)	\$ (85,533)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
(Increase) decrease in current assets:			
Accounts receivable	-	-	12,150
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(24,986)	(35,252)	95,017
Compensated absences	1,297	-	-
Increase (decrease) in claims liability - noncurrent	-	230,000	-
Net cash provided (used) by operating activities	\$ 52,296	\$ (121,136)	\$ 21,634
Presentation in Statement of Net Position:			
Cash and investments	\$ 568,040	\$ 2,319,162	\$ 4,130,159
Cash and investments held by trustees	-	91,119	-
Total Cash and Cash Equivalents, End of Year	\$ 568,040	\$ 2,410,281	\$ 4,130,159

Technology Development	Facilities Maintenance	Totals	
		2014	2013
\$ 523,046	\$ 866,990	\$ 3,829,377	\$ 3,774,785
(562,199)	(966,636)	(4,245,382)	(4,642,313)
-	-	230,000	865,531
<u>(39,153)</u>	<u>(99,646)</u>	<u>(186,005)</u>	<u>(1,997)</u>
-	-	264,769	-
-	-	430,584	456,984
<u>(40,000)</u>	<u>(20,000)</u>	<u>(260,000)</u>	<u>(141,132)</u>
<u>(40,000)</u>	<u>(20,000)</u>	<u>435,353</u>	<u>315,852</u>
<u>(79,153)</u>	<u>(119,646)</u>	<u>249,348</u>	<u>313,855</u>
353,707	960,199	7,974,239	7,660,384
<u>\$ 274,554</u>	<u>\$ 840,553</u>	<u>\$ 8,223,587</u>	<u>\$ 7,974,239</u>
\$ (78,914)	\$ (111,507)	\$ (515,853)	\$ (817,118)
2,270	-	14,420	(6,441)
(6,543)	9,034	37,270	(55,196)
44,034	2,827	48,158	11,227
-	-	230,000	865,531
<u>\$ (39,153)</u>	<u>\$ (99,646)</u>	<u>\$ (186,005)</u>	<u>\$ (1,997)</u>
\$ 274,554	\$ 840,553	\$ 8,132,468	\$ 7,883,120
-	-	91,119	91,119
<u>\$ 274,554</u>	<u>\$ 840,553</u>	<u>\$ 8,223,587</u>	<u>\$ 7,974,239</u>

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

(With comparative totals for the year ended June 30, 2013)

	San Bruno Community Foundation	Project Development	San Bruno Garbage Company	Totals	
				2014	2013
ASSETS					
Cash and investments	\$ 68,843,950	\$ 90,301	\$ 422,341	\$ 69,356,592	\$ 69,297,227
Accounts receivable	-	-	349,261	349,261	364,747
Total assets	\$ 68,843,950	\$ 90,301	\$ 771,602	\$ 69,705,853	\$ 69,661,974
LIABILITIES					
Accounts payable	\$ 68,843,950	\$ 19,563	\$ 770,245	\$ 69,633,758	\$ 69,591,309
Other liabilities	-	70,738	1,357	72,095	70,665
Total liabilities	\$ 68,843,950	\$ 90,301	\$ 771,602	\$ 69,705,853	\$ 69,661,974

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2014 (With comparative totals for the year ended June 30, 2013)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$ 87,789	\$ 202,582	\$ (200,068)	\$ 90,303
Accounts receivable	-	-	-	-
Total assets	<u>\$ 87,789</u>	<u>\$ 202,582</u>	<u>\$ (200,068)</u>	<u>\$ 90,303</u>
LIABILITIES				
Accounts payable	\$ 28,368	\$ (132,212)	\$ 123,408	\$ 19,564
Other liabilities	59,421	(185,241)	196,559	70,739
Total liabilities	<u>\$ 87,789</u>	<u>\$ (317,453)</u>	<u>\$ 319,967</u>	<u>\$ 90,303</u>
SAN BRUNO GARBAGE COMPANY				
ASSETS				
Cash and investments	\$ 397,176	\$ 6,810,887	\$ (6,785,722)	\$ 422,341
Accounts receivable	364,747	6,853,262	(6,868,747)	349,261
Total assets	<u>\$ 761,923</u>	<u>\$ 13,664,149</u>	<u>\$ (13,654,469)</u>	<u>\$ 771,602</u>
LIABILITIES				
Accounts payable	\$ 750,679	\$ (12,749,511)	\$ 12,769,078	\$ 770,246
Other liabilities	11,244	(14,068)	4,181	1,356
Total liabilities	<u>\$ 761,923</u>	<u>\$ (12,763,579)</u>	<u>\$ 12,773,259</u>	<u>\$ 771,602</u>
SAN BRUNO COMMUNITY FOUNDATION				
ASSETS				
Cash and investments	\$ 68,812,263	\$ 31,687	\$ -	\$ 68,843,950
Accounts receivable	-	-	-	-
Total assets	<u>\$ 68,812,263</u>	<u>\$ 31,687</u>	<u>\$ -</u>	<u>\$ 68,843,950</u>
LIABILITIES				
Accounts payable	\$ 68,812,263	\$ -	\$ 31,687	\$ 68,843,950
Other liabilities	-	-	-	-
Total liabilities	<u>\$ 68,812,263</u>	<u>\$ -</u>	<u>\$ 31,687</u>	<u>\$ 68,843,950</u>
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 69,297,228	\$ 7,045,156	\$ (6,985,790)	\$ 69,356,594
Accounts receivable	364,748	6,853,262	(6,868,747)	349,263
Total assets	<u>\$ 69,661,976</u>	<u>\$ 13,898,418</u>	<u>\$ (13,854,537)</u>	<u>\$ 69,705,857</u>
LIABILITIES				
Accounts payable	\$ 69,591,310	\$ (12,881,723)	\$ 12,924,173	\$ 69,633,760
Other liabilities	70,666	(199,309)	200,740	72,097
Total liabilities	<u>\$ 69,661,976</u>	<u>\$ (13,081,032)</u>	<u>\$ 13,124,913</u>	<u>\$ 69,705,857</u>

STATISTICAL SECTION

CITY OF SAN BRUNO, CALIFORNIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Fiscal years ended June 30)

	2005	2006	2007	2008	2009
Governmental activities					
Net investments in capital assets	\$ 11,767,003	\$ 13,980,909	\$ 36,889,081	\$ 37,073,294	\$ 38,094,423
Restricted	3,295,653	2,790,614	763,192	797,313	805,664
Unrestricted	5,146,203	10,409,480	17,200,880	18,670,800	17,282,898
Total governmental activities net position	<u>\$ 20,208,859</u>	<u>\$ 27,181,003</u>	<u>\$ 54,853,153</u>	<u>\$ 56,541,407</u>	<u>\$ 56,182,985</u>
Business-type activities					
Net investments in capital assets	\$ 19,803,889	\$ 18,694,375	\$ 26,319,885	\$ 22,821,582	\$ 29,548,513
Unrestricted	18,714,365	19,953,475	12,200,816	19,943,521	13,642,293
Total business-type activities net position	<u>\$ 38,518,254</u>	<u>\$ 38,647,850</u>	<u>\$ 38,520,701</u>	<u>\$ 42,765,103</u>	<u>\$ 43,190,806</u>
Primary government					
Net investments in capital assets	\$ 31,570,892	\$ 32,675,284	\$ 63,208,966	\$ 59,894,876	\$ 67,642,936
Restricted	3,295,653	290,614	763,192	797,313	805,664
Unrestricted	23,860,568	30,362,955	29,401,696	38,614,321	30,925,191
Total primary government net position	<u>\$ 58,727,113</u>	<u>\$ 63,328,853</u>	<u>\$ 93,373,854</u>	<u>\$ 99,306,510</u>	<u>\$ 99,373,791</u>
	2010	2011	2012	2013	2014
Governmental activities					
Net investments in capital assets	\$ 38,157,248	\$ 36,981,386	\$ 48,151,315	\$ 49,191,126	\$ 50,124,094
Restricted	11,757,369	15,666,900	12,461,795	10,637,770	10,612,672
Unrestricted	6,174,871	5,382,344	6,089,202	(5,227,689)	(3,967,832)
Total governmental activities net position	<u>\$ 56,089,488</u>	<u>\$ 58,480,630</u>	<u>\$ 66,702,312</u>	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>
Business-type activities					
Net investments in capital assets	\$ 29,617,094	\$ 30,706,799	\$ 32,968,582	\$ 36,842,785	\$ 46,715,688
Unrestricted	14,951,487	16,048,910	18,311,018	19,519,379	24,822,052
Total business-type activities net position	<u>\$ 44,568,581</u>	<u>\$ 46,755,709</u>	<u>\$ 51,279,600</u>	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>
Primary government					
Net investments in capital assets	\$ 67,774,342	\$ 67,688,185	\$ 81,119,897	\$ 86,033,911	\$ 96,839,782
Restricted	11,757,369	15,666,900	12,461,795	10,637,770	10,612,672
Unrestricted	21,126,358	21,431,254	24,400,220	14,291,690	20,854,220
Total primary government net position	<u>\$ 100,658,069</u>	<u>\$ 104,786,339</u>	<u>\$ 117,981,912</u>	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED

(Fiscal years ended June 30)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	\$ 10,461,109	\$ 12,129,370
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	20,016,150	19,836,376
Public works	491,059	679,486	1,017,450	1,766,933	1,256,060	862,049	888,426	952,496	954,150	850,759
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	3,647,648	2,891,219
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	4,819,878	4,717,561
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	1,695,581	1,685,455
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	1,556,777	1,888,260
Interest expense	516,465	557,964	575,021	553,486	665,517	672,458	612,570	455,313	931,179	267,977
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>	<u>44,082,472</u>	<u>44,266,977</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	9,237,239	8,770,677
Stormwater	294,261	467,043	502,802	(171,906)	687,278	386,608	438,864	446,020	661,493	739,512
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	9,220,142	9,427,956
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	10,100,602	10,508,595
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>	<u>29,219,476</u>	<u>29,446,740</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>	<u>\$ 73,301,948</u>	<u>\$ 73,713,717</u>

CITY OF SAN BRUNO, CALIFORNIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS, CONTINUED**

(Fiscal years ended June 30)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	\$ 2,704,082	\$ 2,923,789
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	1,670,163	1,632,659
Public works	-	-	52,157	781,614	49,186	39,104	149,299	205,501	135,283	104,982
Highways and streets	1,710,424	2,091,813	754,080	977,667	18,700	18,700	19,243	9,474	14,649	19,985
Parks and recreation	1,380,947	681,356	751,985	794,097	915,378	988,075	1,089,866	1,182,386	1,194,216	1,359,079
Library	65,336	63,243	63,638	144,703	76,934	104,188	105,247	132,216	94,866	92,227
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	969,707	988,285
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	9,190,570	12,573,135
Capital grants and contributions	5,099,422	2,822,419	328,114	2,628,237	-	823,772	79,562	1,897,433	1,143,765	88,658
Total governmental activities program revenues	14,096,480	13,062,671	11,357,526	18,096,448	13,599,102	14,119,430	18,526,343	20,476,535	17,117,301	19,782,799
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	11,725,402	15,041,156
Stormwater	546,589	549,708	614,832	531,455	618,552	574,796	593,179	612,325	611,886	1,474,221
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	12,233,209	15,470,139
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	9,651,598	9,329,485
Total business-type activities program revenues	20,085,979	21,179,102	23,128,992	26,240,380	27,688,974	29,231,614	30,783,108	32,701,280	34,222,095	41,315,001
Total primary government program revenues	\$ 34,182,459	\$ 34,241,773	\$ 34,486,518	\$ 44,336,828	\$ 41,288,076	\$ 43,351,044	\$ 49,309,451	\$ 53,177,815	\$ 51,339,396	\$ 61,097,800
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)	\$ (26,965,171)	\$ (24,484,178)
Business-type activities	(6,663)	(321,501)	(636,088)	3,370,787	904,465	2,486,282	1,976,507	4,347,054	5,002,619	11,868,261
Total primary government net expense	\$ (18,252,745)	\$ (20,505,231)	\$ (24,174,666)	\$ (21,632,332)	\$ (31,996,640)	\$ (30,475,428)	\$ (28,552,363)	\$ (17,161,047)	\$ (21,962,552)	\$ (12,615,917)

CITY OF SAN BRUNO, CALIFORNIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS, CONTINUED
(Fiscal years ended June 30)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
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	\$ 6,752,943	\$ 7,391,194
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	2,412,368	2,790,395
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	1,973,837	1,957,795
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	7,345,212	7,678,695
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	1,616,868	1,652,904
Other taxes	-	-	316,762	-	1,523,129	1,487,538	1,632,802	2,028,635	2,251,707	3,267,636
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	3,158,217	3,503,097
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	1,263,400	1,678,676
Miscellaneous and extraordinary item	2,386,324	3,409,259	2,425,997	-	-	-	-	1,328,242	(11,968,561)	(204,035)
Transfers	-	175,164	-	(300,443)	187,418	(93,482)	(91,576)	(29,493)	58,075	(3,064,452)
Total governmental activities	<u>22,620,051</u>	<u>26,705,216</u>	<u>28,688,892</u>	<u>26,691,373</u>	<u>32,542,683</u>	<u>32,868,213</u>	<u>32,470,012</u>	<u>30,179,783</u>	<u>14,864,066</u>	<u>26,651,905</u>
Business-type activities										
Use of money and property	438,775	513,954	508,939	573,172	(291,344)	123,648	119,045	147,344	138,020	242,863
Transfers	214,752	(62,857)	-	300,443	(187,418)	93,482	91,576	29,493	(58,075)	3,064,452
Total business-type activities	<u>653,527</u>	<u>451,097</u>	<u>508,939</u>	<u>873,615</u>	<u>(478,762)</u>	<u>217,130</u>	<u>210,621</u>	<u>176,837</u>	<u>79,945</u>	<u>3,307,315</u>
Total primary government	<u>\$ 23,273,578</u>	<u>\$ 27,156,313</u>	<u>\$ 29,197,831</u>	<u>\$ 27,564,988</u>	<u>\$ 32,063,921</u>	<u>\$ 33,085,343</u>	<u>\$ 32,680,633</u>	<u>\$ 30,356,620</u>	<u>\$ 14,944,011</u>	<u>\$ 29,959,220</u>
Changes in Net Position										
Governmental activities	\$ 4,373,969	\$ 6,521,486	\$ 5,150,314	\$ 1,688,254	\$ (358,422)	\$ (93,497)	\$ 1,941,142	\$ 8,671,682	\$ (12,101,105)	\$ 2,167,727
Business-type activities	646,864	129,596	(127,149)	4,244,402	425,703	2,703,412	2,187,128	4,523,891	5,082,564	15,175,576
Total primary government	<u>\$ 5,020,833</u>	<u>\$ 6,651,082</u>	<u>\$ 5,023,165</u>	<u>\$ 5,932,656</u>	<u>\$ 67,281</u>	<u>\$ 2,609,915</u>	<u>\$ 4,128,270</u>	<u>\$ 13,195,573</u>	<u>\$ (7,018,541)</u>	<u>\$ 17,343,303</u>

CITY OF SAN BRUNO, CALIFORNIA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Fiscal years ended June 30,)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,702	\$ 638,512	\$ 624,274	\$ 548,075	\$ 586,650
Restricted	3,353,515	3,934,669	662,200	826,709	1,060,558	-	-	-	-	-
Assigned	-	-	-	-	-	152,533	127,407	110,049	238,060	254,698
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	8,848,896	10,096,649
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>	<u>\$ 9,635,031</u>	<u>\$ 10,937,997</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	11,120,226	10,612,672
Committed	-	-	-	-	-	-	-	-	8,093,269	10,689,500
Unassigned	(2,041,041)	(836,728)	-	-	(986,616)	(1,818,644)	(1,843,753)	(71,119)	(27,028)	(42,705)
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>	<u>\$ 19,186,467</u>	<u>\$ 21,259,467</u>

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Fiscal years ended June 30,)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 21,801,314	\$ 18,835,537	\$ 21,137,455	\$ 23,236,735	\$ 27,788,860	\$ 27,863,575	\$ 27,705,514	\$ 24,265,039	\$ 22,433,688	\$ 24,148,772
Licenses and permits	1,637,527	5,283,072	4,813,087	4,379,092	3,644,640	2,036,968	2,182,177	3,674,707	2,834,980	4,255,588
Intergovernmental	4,538,435	4,726,434	4,976,381	5,555,835	4,024,517	4,663,260	4,102,933	4,811,636	4,416,017	4,009,117
Charges for services	5,302,228	4,998,704	3,458,641	3,534,085	2,812,413	3,319,982	4,249,436	4,648,073	3,120,324	2,826,577
Fines and forfeitures	500,717	570,691	563,836	578,406	649,186	763,221	739,033	759,985	676,421	654,000
Use of money and property	364,665	1,583,178	1,149,534	2,287,478	1,433,302	1,938,960	1,909,612	1,788,884	1,263,400	1,678,676
Other revenues	1,660,831	2,210,719	4,048,911	5,976,311	5,601,449	6,151,677	10,199,227	9,409,245	9,147,023	12,130,461
Total revenues	35,805,717	38,208,335	40,147,845	45,547,942	45,954,367	46,737,643	51,087,932	49,357,569	43,891,853	49,703,191
Expenditures:										
General government	3,830,993	3,750,350	3,449,991	1,114,968	3,831,772	3,432,652	7,733,633	7,659,751	8,683,516	8,955,056
Public safety	14,996,475	16,168,590	16,848,691	20,849,179	19,606,624	19,791,984	18,630,659	19,200,997	19,687,555	19,851,466
Public works	491,059	679,486	1,017,450	1,501,639	1,228,246	795,138	827,163	954,550	876,159	856,559
Highways and streets	5,552,960	4,969,695	2,956,134	4,816,250	4,101,578	3,924,442	2,442,621	3,420,294	2,804,070	3,689,780
Parks and recreation	3,562,029	3,886,525	4,136,082	4,822,377	4,627,648	4,319,160	4,106,814	4,245,171	4,310,157	4,453,981
Library	1,559,864	1,663,807	1,625,429	2,028,271	1,903,867	1,752,924	1,669,374	1,635,242	1,628,841	1,631,084
Community development	3,474,765	3,543,200	3,561,656	4,899,902	7,998,339	8,978,350	7,730,597	1,903,573	1,504,058	1,872,127
Capital outlay	773,579	827,974	799,524	906,765	696,590	1,071,479	699,463	2,154,326	1,161,609	360,076
Debt service:										
Principal	501,323	812,828	479,955	503,713	523,124	548,219	574,031	365,592	386,409	807,336
Interest	516,934	563,591	548,987	526,204	702,518	677,464	651,882	219,706	542,606	410,689
Total expenditures	35,259,981	36,866,046	35,423,899	41,969,268	45,220,306	45,291,812	45,066,237	41,759,202	41,584,980	42,888,154
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	545,736	1,342,289	4,723,946	3,578,674	734,061	1,445,831	6,021,695	7,598,367	2,306,873	6,815,037
Extraordinary item	-	-	-	-	-	-	-	(6,591,758)	-	-
Other financing sources (Transfer In)	337,000	-	4,299,624	2,963,422	3,504,587	5,418,156	3,696,045	2,572,024	9,588,612	7,977,407
Other financing sources (Transfer Out)			(4,058,624)	(2,812,004)	(3,317,169)	(5,168,156)	(4,234,218)	(2,870,183)	(9,268,201)	(11,416,478)
Other financing sources (uses):										
Operating transfers from (to) Enterprise Funds:										
Water	-	77,500	-	-	-	-	-	-	-	-
Stormwater	-	25,000	-	-	-	-	-	-	-	-
Wastewater	-	72,664	-	-	-	-	-	-	-	-
Operating transfers from (to) Internal Service Funds	211,398	150,000	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	3,065	-	6,363	3,380	-	-	-	-	-	-
Proceeds of debt issued (refunds)	-	1,229,298	-	-	-	-	-	-	-	-
Total other financing sources (uses)	214,463	1,554,462	6,363	3,380	-	-	-	-	-	-
Net change in fund balances	\$ 423,199	\$ 2,896,751	\$ 4,971,309	\$ 3,733,472	\$ 921,479	\$ 1,695,831	\$ 5,483,522	\$ 708,450	\$ 2,627,284	\$ 3,375,966
Debt service as a percentage of noncapital expenditures	0.029526333	0.038193469	0.029717273	0.025081691	0.027527846	0.027717634	0.027631331	0.014778433	0.022982126	0.02864049

CITY OF SAN BRUNO, CALIFORNIA

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

(In thousands of dollars)

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
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
2013	4,174,398,109	866,171,661	54,657,760	37,746,851	5,132,974,381	188,968,984	5,321,943,365	5,321,943,365	1.0000
2014	4,364,835,817	945,331,190	55,708,482	61,925,552	5,427,801,041	191,476,425	5,619,277,466	5,619,277,466	1.0000

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		Overlapping Rates		Total Tax Rate
	Basic Rate	Total Direct	School Districts	Special Districts	
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
FY 12-13	1.0000	1.0000	0.0905	0.0000	1.0905
FY 13-14	1.0000	1.0000	0.0864	0.0000	1.0864

CITY OF SAN BRUNO, CALIFORNIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

		2013-2014				2005-2006				
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	\$ 135,566,664	1	2.50%	The Gap Inc.	Office Building	\$ 117,899	1	2.97%	
Bayhill Four Associates	Office Building	130,267,851	2	2.40%	Bayhill Four Associates	Office Building	77,277	2	1.95%	
The Gap Inc.	Office Building	126,170,844	3	2.32%	The Crossing Apts Asso.LLC	Apartments	47,477	3	1.20%	
Tanforan Park Shopping Center LLC	Shopping Center	124,587,640	4	2.30%	Aimco San Bruno Apts Partner	Apartments	45,657	4	1.15%	
Archstone San Bruno III LLC	Apartments	83,436,000	5	1.54%	Landmark Towne Center LLC	Shopping Center	37,665	5	0.95%	
Behringer Harvard Acappella LP	Apartments	57,081,919	6	1.05%	Crystal Springs Associates	Apartments	29,218	6	0.74%	
CREA-San Bruno LLC	Office Building	46,600,000	7	0.86%	Welch Family Partnership	Office Building	24,609	7	0.62%	
San Bruno Towne Center Partnership	Shopping Center	42,635,350	8	0.79%	JC Penny Co. Inc.	Shopping Center	23,637	8	0.60%	
Crystal Springs Associates	Apartments	33,119,176	9	0.61%	Lowes HIW Inc. Lessee	Shopping Center	23,419	9	0.59%	
Mach I Bayhill LLC	Office Building	32,800,000	10	0.60%	Sun Life Assurance Co.of Canada	Financial Service	21,850	10	0.55%	
Subtotal		\$ 812,265,444		14.97%			\$ 448,708		11.32%	
(1) 2013-14 Local Secured Assessed Valuation:	5,427,801,041									
(2) 2005-06 Local Secured Assessed Valuation (In thousands)	3,966,877									

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF TOP 40 RETAIL BUSINESSES FOR THE YEAR ENDED JUNE 30, 2014

(Listed in alphabetical order)

Name	Address
Aconex (North America) Inc.	1111 Bayhill Dr. Ste 480
All Shores	135 El Camino Real
Alpha Flight Guru	881 Sneath Ln.
Apex Systems, Inc.	1111 Bayhill Dr. Ste 240
Barthco International Inc.	1162 Cherry Ave.
Bayhill 4-7 LLC	950 El Camino Real
Best Buy Store #1896	1250 El Camino Real
Biocodex Inc.	1250 Bayhill Dr. Ste 200
CBR Systems Inc.	1200 Bayhill Dr. FL3
Century Theaters Inc.#494	1188 El Camino Real
Cisco Ironport Systems, LLC	950 Elm Ave.
CVS/Pharmacy#9807	10 Bayhill Shopping Ctr.
Davita Rx, LLC#1685	1178 Cherry Ave.
Interfresh Inc.	901 Sneath Ln.#215
J.C. Penny Corp. Inc.	1122 El Camino Real
Lash Group, Inc.	999 Bayhill Dr#300
Lohika Systems Inc.	1001 Bayhill Dr., Ste 108
Lowe's HIW, Inc.#1019	1340 El Camino Real
Lucky #748	1322 El Camino Real
Lunardi's Market	2801 San Bruno Ave.W
Marshall's #492	1268 El Camino Real
Melody Toyota	750 El Camino Real
Mollie Stone's Market	22 Bayhill Shopping Ctr.
On Assignment Lab Support & HealthCare	1111 Bayhill Dr. Ste 200
Provident Funding Associates LP	851 Traeger Ave.Ste 100
PT Gaming LLC	659 Huntington Ave.
Qumu, Inc.	1100 Grundy Ln. Ste 110
Responsys	1100 Grundy Ln. FL 3
San Bruno Shell Gas Station	798 El Camino Real
Sears Roebuck & Co. #1478	1178 El Camino Real
Sharepost Inc.	1250 Bayhill Dr. Ste 300
Target Store T1054	1150 El Camino Real
The Permanente Medical Group Tax Dept.	801 Traeger Ave.
Vantagepoint Capital Partners	1001 Bayhill Dr. Ste 300
Victory Honda of San Bruno	345 El Camino Real
Vince's Shell Fish Co. Inc.	1063 Montgomery Ave.
Walgreens #2939	333 El Camino Real
WalMart.Com USA LLC	850 Cherry Ave.
Weiss-Rohlig USA LLC	1150 Bayhill Dr. Ste 121
You Tube Inc.	901 Cherry Ave.

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
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%
2013	4,821,711	4,821,711	100%	-	4,821,711	100%
2014	5,057,412	5,057,412	100%	-	5,057,412	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	Fiduciary Funds			Debt As a Percent of Personal Income
	Capital Lease	Pension Obligation Bonds	Wastewater Certificates of Participation	Wastewater Revenue Refunding Bond	Cable TV Capital Lease Obligation	City of South Sewer Plant Agreement		Certificates of Participation	Population	Debt per Capita	
2005	\$ 1,155,774	\$ -	\$ 9,275,000	\$ -	\$ -	\$ 9,927,057	\$ 20,357,831	\$ 9,135,000	39,752	\$ 492	1.5%
2006	1,959,633	-	9,275,000	-	-	9,404,289	20,638,922	8,955,000	39,986	505	1.5%
2007	1,669,679	-	9,085,000	-	-	15,734,710	26,489,389	8,765,000	40,017	488	1.5%
2008	1,365,965	-	8,890,000	-	-	14,896,375	25,152,340	8,565,000	43,286	435	1.3%
2009	1,047,841	-	8,685,000	-	-	14,035,887	23,768,728	8,360,000	43,798	413	1.2%
2010	714,622	-	8,475,000	-	1,471,489	13,152,660	23,813,771	8,145,000	44,294	391	1.1%
2011	365,592	-	8,260,000	-	1,219,296	12,246,088	22,090,976	7,920,000	41,842	395	1.2%
2012	240,306	-	8,035,000	-	874,252	11,315,552	20,465,110	7,680,000	42,451	367	1.4%
2013	208,898	12,546,749	7,800,000	-	467,213	10,360,416	31,383,276	7,430,000	42,828	659	2.6%
2014	176,562	11,791,267	-	7,294,634	36,946	9,380,027	28,679,436	7,170,000	42,355	677	1.9%

CITY OF SAN BRUNO, CALIFORNIA

OVERLAPPING DEBT JUNE 30, 2014

2013-14 Assessed Valuation:	\$ 5,619,277,466
Redevelopment Incremental Valuation:	1,002,231,302
Adjusted Assessed Valuation:	<u>\$ 4,617,046,164</u>

Overlapping Tax and Assessment Debt:	Net Debt		Debt
	Outstanding	% Applicable ⁽¹⁾	
San Mateo Community College District	\$ 563,069,994	3.582%	\$ 20,169,167
South San Francisco Unified School District	121,571,335	1.519	1,846,669
San Mateo Union High School District	514,146,777	9.873	50,761,711
San Bruno Park School District	12,289,648	88.013	10,816,488
Millbrae School District Maintenance Assessment District	58,589,527	3.097	<u>1,814,518</u>
Total overlapping tax and assessment debt			85,408,553

Ratios to 2011-12 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.52%

Direct and Overlapping General Fund Debt:

San Mateo County General Fund Obligations	473,769,816	3.582%	16,970,435
San Mateo County Board of Education Certificates of Participation	10,950,000	3.582	392,229
San Mateo County Flood Control District Certificates of Participation	21,860,000	6.825	1,491,945
South San Francisco Unified School District Certificates of Participation	902,878	1.519	13,715
San Bruno Park School District Lease Revenue Bonds	4,725,000	88.013	4,158,614
City of San Bruno Fire Apparatus Lease	176,562	100	176,562
City of San Bruno Pension Obligation Bonds	7,170,000	100	7,170,000
City of San Bruno Certificates of Participation	11,791,267	100	<u>11,791,267</u>

Total direct and overlapping general fund debt

42,164,767

Total Direct Debt

19,137,829

Total Overlapping Debt

108,435,491

Combined Total Debt ⁽²⁾

\$ 127,573,320

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$19,137,829) 0.34%

Combined Total Debt 2.27%

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

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

Source: California Municipal Statistics & City Financial Statement

CITY OF SAN BRUNO, CALIFORNIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

(Dollars in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 567,752	\$ 614,485	\$ 709,205	\$ 769,154	\$ 822,189	\$ 779,962	\$ 768,141	\$ 782,820	\$ 798,292	\$ 842,892
Total net debt applicable to limit	19,566	20,190	19,520	18,821	18,093	17,335	16,546	15,955	27,986	28,679
Legal debt margin	<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>	<u>\$ 770,306</u>	<u>\$ 814,213</u>
Total net debt applicable to the limit as a percentage of debt limit	3.71%	3.51%	2.95%	2.61%	2.34%	2.37%	2.29%	2.08%	3.63%	3.52%

(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 June 30,	Business-type Activities Wastewater Certificates of Participation					
	Sewer Revenues & Transfers	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	5,943,670	5,150,495	793,175	185,000	439,605	1.27
2006	6,079,454	4,206,352	1,873,102	185,000	435,165	3.02
2007	6,261,689	5,804,944	456,745	190,000	430,035	0.74
2008	8,413,781	7,063,137	1,350,644	195,000	424,185	2.18
2009	9,061,790	7,275,670	1,786,120	205,000	417,420	2.87
2010	9,566,100	7,231,032	2,335,068	210,000	409,860	3.77
2011	10,128,799	8,716,618	1,412,181	215,000	401,690	2.29
2012	11,294,768	8,043,233	3,251,535	225,000	392,915	5.26
2013	12,231,509	8,543,647	3,687,862	235,000	383,515	5.96
2014	16,621,276	8,911,235	7,710,041	7,800,000	378,493	0.94

Source: City financial records

CITY OF SAN BRUNO, CALIFORNIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population(1)	Total Personal Income(2)	Per Capita Personal Income(2)	Median Age(3)	San Mateo County		
					**School Enrollment	County Unemployment Rate(4)	City Unemployment Rate(4)
2005	39,752	1,313,962,608	33,054	36.3	3,806	4.5%	N/A
2006	39,986	1,321,537,300	33,050	36.3	3,857	3.8%	N/A
2007	40,017	1,322,721,918	33,054	36.7	3,793	3.9%	N/A
2008	43,286	1,430,602,300	33,050	39.0	3,796	4.8%	N/A
2009	43,798	1,490,883,920	34,040	38.3	3,805	8.9%	N/A
2010	44,294	1,537,533,328	34,712	38.8	3,789	9.2%	N/A
2011	41,842	1,384,677,306	33,093	39.1	3,697	8.7%	N/A
2012	42,451	1,447,664,002	34,102	37.3	3,747	7.1%	N/A
2013	42,828	1,516,154,028	35,401	38.8	3,790	6.7%	5.8%
2014	42,355	1,521,349,245	35,919	38.7	3,888	5.4%	4.7%

2011-12 and prior, previously published CAFR Report

2013-2014 Source: MuniServices, LLC

- 1.) Population Projections are provided by the State Department of Finance Projections.
 - 2.) Personal income and per capita personal income is provided by U.S.Census, American Comm.Survey 3-year Estimates and is adjusted for inflation
 - 3.) Median Age reflects the U.S. Census data estimation table
- **School Enrollment reflects the total number of students enrolled in Caupuchino High & San Bruno Park
- 4.) Unemployment Rates are provided by the EDD, Labor Market Information Division
- San Mateo County
N/A: Data Not Available

CITY OF SAN BRUNO, CALIFORNIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND LAST YEAR**

Employer	2013-14			2012-13		
	Employees	Rank	Percentage of Total Employment (%)	Employees	Rank	Percentage of Total Employment (%)
You Tube, Inc.	800	1	3.38%	686	1	2.97%
Artichoke Joe's Casino	374	2	1.58%	350	2	1.52%
Lash Group, Inc.	300	3	1.27%	260	4	1.13%
Target Store	260	4	1.10%	258	6	1.12%
San Bruno Park School District	254	5	1.07%			
Skyline Colleege	250	6	1.05%	246	7	1.06%
Sears, Roebuck & Co*	240	7	1.01%	260	5	1.13%
City of San Bruno	226	8	0.95%	239	8	1.03%
Lowe's HIW, Inc.	163	9	0.69%	175	9	0.76%
BJ's Restaurant and Brewhouse*	160	10	0.68%			
Responsys Inc.				271	3	1.17%
CBR Systems Inc.				150	10	0.65%
Total Top Employers	3,027		12.78%	2,895		12.54%
Total City Labor (1)	23,700					

Source: 2012-14 MuniServices, LLC

Source: 2011-12, previously published CAFR Report

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

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

*Includes both Full and Part Time Employees

CITY OF SAN BRUNO, CALIFORNIA

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

(Fiscal year ended June 30)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
City Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legal Services	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Manager	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Human Resources	1.00	2.00	2.75	2.75	2.75	1.75	1.75	1.75	2.25	2.25
Finance										
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50	5.00
Revenue Services	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Police	64.00	66.00	66.00	63.00	66.00	61.00	61.50	59.00	60.00	61.50
Fire	36.00	36.00	35.00	33.00	33.50	33.50	33.50	32.50	32.75	32.75
PublicWorks										
Admin. & Engineering	7.75	7.75	8.75	7.75	7.75	7.75	6.75	6.75	6.75	6.70
Streets Maintenance	5.60	5.60	5.60	5.60	5.60	5.10	5.05	5.05	5.05	5.10
Community Development										
Planning	2.45	3.45	3.45	2.60	2.50	2.00	2.00	1.75	3.50	4.50
Building	4.10	6.10	6.10	5.30	5.00	4.00	4.00	4.25	6.50	6.50
Parks & Recreation Services										
Recreation	4.05	4.05	4.20	3.35	4.35	3.85	4.05	4.05	4.00	4.00
Parks Maintenance	17.25	18.75	18.75	15.95	17.00	15.50	14.35	13.35	13.80	13.80
Senior Services	2.45	2.45	2.30	2.15	2.15	2.15	2.25	1.25	3.35	3.35
Library Services	10.50	10.50	10.50	9.50	10.00	9.00	8.75	8.75	7.65	7.65
Subtotal	178.90	184.40	185.40	172.95	178.60	167.60	165.95	160.45	167.10	170.10
Special Revenues										
Solid Waste	0.30	0.30	0.30	0.30	0.30	0.25	0.35	0.35	0.35	0.35
RDA Operation	2.80	2.80	2.75	1.80	3.60	3.60	3.60	3.60	-	-
Successor Agency to RDA	N/A	1.00	-							
RDA Low/Mod Housing	1.65	1.65	1.70	1.25	1.90	1.90	1.90	1.90	-	-
Subtotal	4.75	4.75	4.75	3.35	5.80	5.75	5.85	5.85	1.35	0.35
Internal Services										
Central Garage	3.35	3.35	3.95	3.85	3.95	3.95	3.35	2.85	2.85	2.35
Buildings and Facilities	6.20	5.75	7.00	5.50	7.00	7.00	6.10	6.10	5.70	5.70
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Subtotal	13.55	13.10	14.95	13.35	14.95	14.95	13.45	12.95	12.55	11.55
Enterprise Funds										
Water Enterprise	14.90	15.90	17.90	15.90	16.90	16.90	17.30	17.30	17.30	16.95
Stormwater Enterprise	2.55	2.55	2.95	2.95	2.95	2.95	3.65	3.65	3.65	3.75
Wastewater Enterprise	14.60	14.60	14.60	12.10	14.60	14.10	14.55	15.55	15.55	15.80
Cable Enterprise	19.50	18.50	19.50	19.00	19.50	19.50	20.00	20.00	20.00	20.00
Subtotal	51.55	51.55	54.95	49.95	53.95	53.45	55.50	56.50	56.50	56.50
Glenview Funds										
Crestmoor (Glenview) Recovery									5.00	4.25
Subtotal	N/A	5.00	4.25							
Total Positions (all funds)	248.75	253.80	260.05	239.60	253.30	241.75	240.75	235.75	242.50	242.75

Source: Adopted City Budget

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

CITY OF SAN BRUNO, CALIFORNIA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Calls for Service	*	*	*	*	25,164	23,305	22,275	23,242	24,405	30,131
Physical arrests	*	1,331	*	*	1,585	1,371	1,401	1,371	989	1,071
Parking violations**	*	9,634	10,273	11,715	11,706	9,242	10,273	11,683	11,559	8,710
Traffic collisions	*	3,087	*	*	480	387	452	387	380	369
Moving citations	*	*	*	*	2,215	2,128	2,665	2,128	1,422	2,659
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered**	3,016	3,170	3,294	3,493	3,539	3,517	3,791	3,809	3,916	3,148
Number of inspection conducted**	*	650	1,487	1,647	1,428	1,300	1,341	1,381	1,358	1,326
Public Works										
Street repair (sq. ft.)	*	*	*	*	*	11,405	8,750	4,304	4,304	4,792
Potholes repaired	*	*	*	*	*	1,055	1,055	1,016	2,311	2,670
Sidewalk repair (sq. ft)	*	*	*	*	*	4,653	2,478	2,215	896	11,625.40
Sidewalk curb&gutter repair (ft)	*	*	*	*	*	481	89	62	85	927
Community Development:										
Plans checks	*	*	*	*	*	413	389	384	340	340
Permits Issued	*	*	*	*	*	1,178	1,575	1,375	1,284	1,283
Parks & recreation:										
Picnic rentals	*	*	*	*	*	*	766	813	673	934
Library:										
Library circulation	*	*	*	*	*	*	374,496	372,162	388,066	358,362
Library visits	*	*	*	*	*	*	239,916	239,649	228,835	248,563
Water										
New service connections	*	*	*	*	*	353	320	271	265	442
Gallons purchased(millions of gallons)	*	*	*	*	*	*	584	796	725	600

*Data not available

**Calendar year as of October 31

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

CITY OF SAN BRUNO, CALIFORNIA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

(Fiscal year ended June 30)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014
Engineering /Public Work								
Pavement	(720,575)	(698,246)	(698,027)	(696,010)	(732,678)	(934,435)	(946,351)	(966,874)
Traffic Signal	17							
Traffic Signal	(42,547)	(42,218)	(43,404)	(54,334)	(54,334)	(53,676)	(60,318)	(71,803)
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)	(422,886)	(453,714)
Roadway in centerline miles	131							
Curb & Gutter	(120,158)	(117,235)	(117,235)	(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)	(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)	(20,507)	(20,507)
Buildings	24							
Structures	(389,213)	(367,380)	(377,093)	(386,312)	(394,902)	(394,682)	(395,536)	(437,055)

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.